7010

II Semester 5 Years B.Com. LL.B. Examination, July/August 2026
CORPORATE ACCOUNTING

Duration : 3 Hours Max. Marks : 80

Instructions :
1. **Answer any five questions from group (a). Each question carries 10 marks.**
2. **Answer any five questions from group (b). Each question carries 6 marks.**
3. **Answer should be written in English completely.**
4. **Use simple calculator.**

UNIT – I

Q. No. 1. (a) A Company Ltd. has authorised capital of ₹ 50,00,000 divided into 1,00,000 equity shares of ₹ 50 each. The Company issued for subscription 50,000 shares at a premium of ₹ 10 each. The entire issue was underwritten as follows.
X – 30,000 shares (firm underwriting – 5,000 shares)
Y – 15,000 shares (firm underwriting – 2,000 shares)
Z – 5,000 (firm underwriting – 1,000 shares)
Out of the total issue 45,000 share including firms underwriting subscribed.
Following were the marked forms
X – 16,000 shares
Y – 10,000 shares
Z – 4,000 shares
Calculate the liability each underwriter assuming
(a) Shares underwritten are treated as marked applications.
(b) Shares underwritten are treated as unmarked applications. Marks : 10

OR

Q. No. 1. (a) Embassy Limited issued 5,00,000 equity shares of ₹ 10 each. A, B, C and D underwrite the entire issue in the ratio of 4:3:2:1 respectively in consideration of 2.5% commission. Application received for 4,50,000 shares of which marked application were as follows
A – 2,20,000 shares
B – 1,10,000 shares
C – 90,000 shares
D – 10,000 shares. You are required to find out
(a) The liability of each underwriter
(b) Commission receivable by each underwriter Marks : 10

Q. No. 1. (b) Marked application and unmarked applications. Marks : 6

OR

Q. No. 1. (b) Explain the advantages of underwriting. Marks : 6

UNIT – II

Q. No. 2. (a) The Vijaya Company Ltd. has issued 10,000 equity shares at ₹ 10 each at a premium of ₹ 2 per share. The amount payable as follows
₹ 2 on application
₹ 5 on allotment including premium
₹ 3 on first call
₹ 2 on final call
All the shares were subscribed and money duly received except the final call on 1,000 shares.
The directors forfeited these shares and re-issued them as fully paid at ₹ 8 per share.
Pass the necessary Journal Entries and prepare the Balance Sheet as per Schedule III of the Companies Act 2013. Marks : 10

OR

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Q. No. 2. (a) The Mysore Sugar Ltd. issued 20,000 equity shares of ₹ 100 each at discount of ₹ 5 per share. The amount has to be paid as follows.

On application	₹ 20
On allotment	₹ 35
On first and final call	₹ 40

All the shares were subscribed and the money duly received except the first and final call on 2,000 shares.
Show the Journal Entries in the books of the company and also drawn up the balance sheet as per Schedule III of the Companies Act 2013. Marks : 10

Q. No. 2. (b) Explain the different types of preference shares. Marks : 6

OR

Q. No. 2. (b) Write a short note on types of debentures. Marks : 6

UNIT – III

Q. No. 3. (a) BAL Co. Ltd. was registered on 1st January 2015 to takeover the business of Shourya Co. Ltd. as on 1st October 2014 and obtained its certificate of incorporation on 1st February 2015. The accounts of the company for the period ended on 30th September 2015 disclosed the following factors.

(a) Turnover for the whole period ended on 30th September 2015 amounted to ₹ 2,40,000 of which ₹ 40,000 related to the period from 1st Oct. 2014 to 1st February 2015.
(b) Trading account showed a gross profit of ₹ 96,000
(c) Following items are debited to statement of Profit and Loss

Directors fees	₹ 1,500
Auditor's fees	₹ 750
Rent, rate etc.	₹ 16,800
Debenture interest	₹ 6,000
Depreciation	₹ 6,000
General expenses	₹ 4,200
Commission on sales	3,600
Advertisement	₹ 4,200
Traveller expenses and salaries	₹ 8,400
Bad debts (Pre incorporation ₹ 700)	₹ 2,000
Interest to vendors (₹ 2,000 in pre-incorporation)	₹4,000

Prepare a statement showing the profit after incorporation. Marks : 10

OR

Q. No. 3. (a) X Co. Ltd. was formed on 1-7-2014 to take over the business of M/s A and B with effect from 1-4-2014. Following were the figures of the company for the year ending 31-3-2015.

	₹		₹
To Salaries	24,000	By Gross profit b/d	1,25,000
To Rent and taxes	9,600		
To Office expenses	4,000		
To Electricity	2,000		
To Insurance	1,600		
To Directors fee	3,500		
To Auditor's fee	2,400		
To Interest on loan	1,200		
To Advertisement	1,000		
To Commission on sales	2,000		
To Carriage outwards	1,250		
To Bank charges	400		

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