

**THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022**  
**(Regular/Improvement/Supplementary)**

**BBA**  
**GBBA3B04T: CORPORATE ACCOUNTING**

**Time: 2 ½ Hours**

**Maximum Marks: 80**

**SECTION A: Answer the following questions. Each carries *two* marks.**  
**(Ceiling 25 Marks)**

1. Define accounting standard.
2. What is IFRS?
3. What do you mean by DRR?
4. Write an account on activity ratio.
5. List out any two IFRS?
6. Explain the term redeemable preference shares.
7. Define company.
8. Mention the financial statements as per company law.
9. What is ratio?
10. Which Ind AS deals with cash flow statement?
11. Profit in a joint stock company – Explain.
12. What is Ind AS 2?
13. What is recognition of financial statement?
14. Write a short note on statement of changes in equity.
15. Comment on liquidity ratio.

**SECTION B: Answer the following questions. Each carries *five* marks.**  
**(Ceiling 35 Marks)**

16. B Ltd. had 3000, 9% preference shares of Rs 200 each fully paid up. The company decided to redeem these shares at par, by issue of sufficient number of equity shares of Rs 25 each at a premium of Rs 2 per share. Write journal entries.
17. What is the difference between P&L statement and balance sheet?
18. What is the need for IFRS convergence in India?
19. A Ltd. issued 60,000, 8% debentures of Rs.100 each redeemable after 4 years by converting them in to equity shares of Rs. 10 each. Record journal entries for issue and redemption of debentures.

**(PTO)**

20. Prepare cash flow statement.

|                         |                 |                          |                 |
|-------------------------|-----------------|--------------------------|-----------------|
| Balance on 1/4/2021     | 50,000          | Payment to suppliers     | 20,00,000       |
| Issue of equity shares  | 3,00,000        | Purchase of fixed assets | 2,00,000        |
| Receipts from cash flow | 28,00,000       | Overhead expenses        | 2,00,000        |
| Sale of fixed assets    | 1,00,000        | Wages & Salaries         | 1,00,000        |
|                         |                 | Taxation                 | 2,50,000        |
|                         |                 | Dividend                 | 50,000          |
|                         |                 | Repayment of bank loan   | 3,00,000        |
|                         |                 | Balance on 31-3-2022     | 1,50,000        |
| <b>Total</b>            | <b>3250,000</b> | <b>Total</b>             | <b>3250,000</b> |

21. Calculate liquidity ratio from the following particulars:

| Particulars      | Amount  |
|------------------|---------|
| Inventory        | 150,000 |
| Cash             | 50,000  |
| Sundry Debtors   | 300,000 |
| Creditors        | 350,000 |
| Bills Receivable | 30,000  |
| Bank Overdraft   | 30,000  |

22. Differentiate between profitability ratio and solvency ratio.

23. From the following information provided by the company for the year 2021-22, calculate tax expenses of the company as per Ind As 12

|                           |           |
|---------------------------|-----------|
| Current tax provision     | 15,26,000 |
| Additional demand for tax | 2,74,000  |

**SECTION C: Answer any two questions. Each carries ten marks.**

24. On 1/7/2019, a company issued 1000, 6% debentures of Rs 100 each (interest payable on 30/6 and 31/12). The company allowed to purchase own debentures which may be cancelled or kept or reissued at the company's option. The company made the following purchases in the open market for immediate cancellation. On 31/5/2020 100, debentures @Rs 98 ex-interest on 30 /9/2021 50, debentures @ Rs 97 cum interest. Write journal entries

25. Discuss the benefits of IFRS convergence.

26. From the following Ledger balances of Varun Ltd, Prepare the Balance Sheet of the company as on 31<sup>st</sup> March 2022 as per Schedule III of the Companies Act.

| Particulars   | Amount    | Particulars                  | Amount    |
|---|-----------|------------------------------|-----------|
| Plant & machinery   | 6,00,000  | Immovable property           | 10,00,000 |
| 8% Debenture  | 8,00,000  | Public deposit               | 5,00,000  |
| Employee's Provident Fund   | 1,30,000  | Provision for taxation       | 1,80,000  |
| Securities premium  | 80,000    | Drafts on hand               | 5,00,000  |
| Cash at bank  | 34,000    | Bills Receivable             | 2,40,000  |
| 24000 fully paid Equity shares of<br>Rs.100 each Rs. 50 called up | 12,00,000 | Brokerage on issue of shares | 1,10,000  |
| Sundry Creditors  | 1,16,000  | Bank overdraft               | 1,50,000  |
| Loan to Manager   | 70,000    | Security Deposit             | 1,24,000  |
| Deposits with ICICI Bank<br>(5years)                              | 1,98,000  | Trade marks                  | 1,80,000  |
| Prepaid insurance   | 1,00,000  |                              |           |

27. A factory engaged in an industry which is capital intensive has been in operation for 5 years. The capital employed is Rs 170 lakhs out of which 100 lakhs represents equity and reserves, 50 lakhs represents debentures and 20 lakhs represents cash credit from bank. The working capital of the company Rs. 85 lakhs is made up to stocks- 30 lakhs , stores-14 lakhs , debtors -35 lakhs, advances and deposits -6 lakhs, sales-80 lakhs.

Calculate:

- Current ratio
- Liquid ratio
- Debt equity ratio
- Proprietary ratio
- Fixed asset ratio

**(2 × 10 = 20 Marks)**