

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2023
(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. What are international accounting standards?
2. Give an account on Contingent Assets.
3. What is IFRS adoption?
4. Give any four items included under Long term borrowings.
5. What is cost of inventory?
6. What do you mean by development cost?
7. What is deferred tax assets?
8. State the importance of IFRS.
9. What do you mean by drawing by lot?
10. Define IFRS.
11. Comment on Capital Reserves.
12. What is Scrip dividend?
13. Give a note on capital Redemption Reserve.
14. What is EPS?
15. What is a cash flow statement?

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

16. Explain the scope of IFRS.
17. Write a note on Redemption of Debentures out of profit including the Provision related with the Redemption.
18. A Factory has a carrying value of Rs.20 Million. Two years ago the company reduced the carrying value from Rs.22 Million. This was taken as an expense in profit or loss. In the Current year the factory is now worth Rs.23 Million. Show the Accounting Treatment for Revaluation in the current year.
19. The following is the position of Current assets and Current liabilities of Z ltd:

	2021 (Rs.)	2022 (Rs.)
Provision for doubtful debts	1,000	---
Short term Loans	10,000	19,000
Creditors	15,000	10,000
Bills payable	20,000	40,000

The company incurred a loss of Rs.45,000 during the year. Calculate cash from Operating activities.

(PTO)

20. Ram & Co. Supplies the following information regarding the year ended 31 December 2022.

Cash sales	Rs. 80,000
Credit sales	Rs. 2,00,000
Return Inward	Rs. 10,000
Opening stock	Rs. 25,000
Closing stock	Rs. 30,000
Gross profit Ratio is 25%	

Find out Inventory Turnover.

21. Calculate debt equity ratio from the following information.

	Rs.
Equity share capital	3,00,000
Preference share capital	1,00,000
General reserve	1,30,000
Securities premium	40,000
Profit & loss balance	70,000
10% debentures	4,50,000
Loan from bank	3,50,000
Current liabilities	20,000

22. M.M.C. Ltd. had 10,000 10% Redeemable Preference shares of Rs.100 each fully paid up. The company decided to redeem these preference shares at par, by issue of sufficient number of equity shares of Rs.10 each at a premium of 2 per share as fully paid up. You are required to pass necessary journal entries including Cash transactions in the books of the company.

23. Z Ltd. issued 5,000, 12% debentures of Rs.100 each at a discount of 10% and Redeemable at par after 5 year were converted into equity shares of Rs.10 each at a premium of 20% before maturity. Journalise the issue and Redemption of debentures.

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

24. From the following summary of Cash account of X Ltd. Prepare Cash flow statement for the year ended 31st March 2023 in accordance with AS-3 Using the direct Method. The company does not have any cash equivalents.

Summary cash account Rs. '000

To balance b/d 1.4.2022	50	By payment to suppliers	2000
To Equity shares	300	By purchase of fixed assets	200
To Receipts from customers	2,800	By overhead Expenses	200
To Sale of fixed assets	100	By wages and salaries	100
		By taxation	250
		By dividends	50
		By Repayment of loan	300
		By balance c/d (31.3.2023)	150
	3,250		3,250

25. What are the different bases of measurement of financial elements? Explain the principles of presentation?

26. From the following trail balance and other information of Madhuri Ltd. prepare final accounts for the year ending 31.12.2022.

	Debit (Rs.)	Credit (Rs.)
Land and building	1,00,000	
Paid up capital (share of Rs.100 each)		1,20,000
Reserve fund		32,000
Purchase and sales	1,92,000	3,56,000
Salaries	24,800	
Wages	18,400	
Preliminary Expenses	16,000	
Interest		4,800
Profit and Loss Appropriation account		64,500
Carriage	8,400	
Stock (1-1-22)	60,000	
Returns	12,800	16,400
Audit fees	8,400	
Freight	8,200	
Interim dividend	7,200	
Bills Receivables and payable	25,400	20,800
Calles in Arrears	8,000	
Cash in hand	10,400	
Goodwill	24,800	
Debtors and Creditors	28,200	35,600
Investments	34,000	
Furniture	28,000	
6% Debentures	80,000	
Bank overdraft	10,400	
Plant and Machinery	1,20,000	
Bad debts	5,500	
Total	740,500	7,40,500

Adjustments

1. Closing stock Rs. 43,200
 2. Depreciate furniture by 5% and Machinery by 10%
 3. Provide Reserve for doubtful debts at 5%
 4. Write preliminary expenses by 20%
 5. Transfer Rs. 24,000 to Reserve Fund.
 6. Provide for debenture interest for one year.
27. Extract from Financial account of XYZ Ltd. are:

	2021		2022	
	Assets Rs.	Liabilities Rs.	Assets Rs.	Liabilities Rs.
Stock	10,000		20,000	
Debtors	30,000		30,000	
Payment in advance	2,000		-----	
Cash in hand	20,000		15,000	
Sundry creditors		25,000		30,000
Acceptance		15,000		12,000
Bank overdraft		-----		5,000
	62,000	40,000	65,000	47,000

Sale amounted to Rs. 3,50,000 in 2021, and 3,00,000 in 2022. You are required to comment on the solvency position of the concern with the help of accounting ratios.

(2 x 10 = 20 Marks)