THIRD SEMESTER FYUGP EXAMINATION, NOVEMBER 2025

Discipline Specific Core (DSC) Courses - Major

COM3CJ202 : Corporate Accounting

(Credits: 4)

Time: 2 Hours	Maximum Marks: 70

Section A

Answer the following questions. Each carries 3 marks (Ceiling: 24 marks)

1.	Suppose you are a CEO of a company. Your company issued shares and received number of applications more than the company issued. You have three options to handle this situation. As CEO of the company, which option do you select and why?	BL4	CO1
2.	Define company.	BL1	CO1
3.	Explain calls in advance and its accounting treatment.	BL2	CO1
4.	Explain the term Debentures.	BL2	CO1
5.	What is the procedure of redeem preference shares out of profit?	BL2	CO1
6.	Differentiate between Holding Company and Subsidiary Company.	BL2	CO1
7.	What is commission on reinsurance ceded?	BL2	CO1
8.	How does a Valuation Balance Sheet help in the declaration of bonus to policyholders?	BL2	CO1
9.	Explain the following terms : (a) Doubtful Assets (b) Loss Assets	BL2	CO1
10.	Explain the concept of Non-Banking Asset (NBA) and discuss their accounting treatment.	BL2	CO1

Section B

Answer the following questions. Each carries 6 marks (Ceiling: 36 Marks)

11.	Evaluate the conditions for redemption of preference shares.	BL4	CO1
12.	A company announces a Right Issue of 1 share for every 2 held at ₹120, while the market price is ₹150. Calculate the value of a Right and the effective cost per share to an investor who subscribes.	BL3	CO3

13. Following items appear in the trial balance of Bharat Ltd. (a listed company) as on 31st March, 2022:   BL3 CO3

	₹
40,000 Equity shares of ₹ 10 each	4,00,000
Capital Redemption Reserve	55,000
Securities Premium (collected in cash)	30,000
General Reserve	1,05,000
Surplus i.e. credit balance of Profit and Loss Account	50,000

The company decided to issue to equity shareholders bonus shares at the rate of 1 share for every 4 shares held and for this purpose, it decided that there should be the minimum reduction in free reserves. Pass necessary journal entries.

14. Holding acquires 90% shares; purchase consideration ₹15,00,000; net assets ₹14,00,000. Calculate cost of control and show treatment.   BL3 CO6

15. Calculate the non-controlling interest (NCI) when the holding company owns 70% of the shares in the subsidiary company. The subsidiary company's share capital is ₹5,00,000, and reserves are ₹2,00,000   BL3 CO3

16. Explain the steps involved in calculating pre- and post-acquisition profits.   BL4 CO1

17. Calculate the rebate on bills discounted in respect of Canara Bank Ltd. as on 31.3.2025 from the following information: BL5 CO5

Date of Bill	Term	Rate of Discount	Amount
17th January	4 months	16 %	400000
17th February	3 months	18 %	750000
6th March	3 months	17.5%	180000
17th March	2 months	18 %	100000

18. How will you calculate provision for doutful debt ? Also give its treatment while preparing final accounts ?   BL2 CO5

Section C

Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)

19. Prepare Consolidated Balance Sheet of H Ltd. and its subsidiary S Ltd. as at 31st March, 2025 from the following information:

BL4 CO4

	H Ltd (Rs.)	S Ltd. (Rs.)
Assets		
Non Current Assets		
Sundry Assets	2,00,000	1,20,000
Investment in S Ltd. at cost (6,000 equity shares)	75,000	-
	2,75,000	**1,20,000**
Equity and Liabilities		
Equity		
Equity Share Capital (Rs. 10 each)	1,20,000	60,000
Reserves	30,000	20,000
Surplus	20,000	10,000
Current Liabilities		
Trade Payable	1,05,000	30,000
	2,75,000	**1,20,000**

Additional Information:

H Ltd., acquired the shares of S Ltd. on 31st March 2025.

20. The revenue account of a life insurance company showed a fund of ₹ 1030000 before considering the following:

BL2 CO5

	₹
1. Bonus utilised in reduction of premium	8,20,000
2. Claims intimated but not admitted	9,80,000
3. Interest accrued on investment	1,00,000
4. Provision for taxation	3,00,000
5. Premium outstanding	6,00,000
6. Claims covered under reinsurance	5,00,000

Give journal entries recording the above omission and show the true life assurance fund .

CO : Course Outcome

BL : Bloom's Taxonomy Levels (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)