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Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD (now MoE)

Re-accredited with A++ Grade by NAAC. CGPA 3:65/4, Category I by UGC

Coimbatore - 641043, Tamil Nadu, India

Bachelor's Degree Arrear Examination – November 2025

II Semester

Batch : 2023, 2024

Major : Commerce / Professional Accounting

B.Com Computer Applications

23BCOC04 / 23BCPC04 / 23BCCC04 / 23BCRC04

Corporate Accounting and Spread Sheet Applications

Time : 3 Hours

Max. Marks : 100

Course Outcomes:

CO1 To acquire conceptual knowledge of corporate accounting system and to learn the techniques of preparing the financial statements of companies

CO2 To understand the rules relating to issues of shares, debentures and valuation of shares

CO3 To understand the accounting procedures and concepts of the various forms of companies.

Part A

10 x 1 = 10

Choose the Correct Answer

- When shares are forfeited, the share capital A/c is debited by CO2K1
 - Paid-up capital
 - Called-up amount
 - Calls-in-Arrear
 - Nominal Value of such shares
- If a part of the issue of shares or debentures is underwritten, it is termed as CO2K1
 - Partial Underwriting
 - Complete underwriting
 - Firm underwriting
 - Equity underwriting
- Financial statements of a company are prepared as per which schedule of the companies act, 2013? CO1K2
 - Schedule I
 - Schedule III
 - Schedule IV
 - Schedule VI
- Which statement shows the financial position of a company on a particular date? CO2K2
 - Trail Balance
 - Profit & Loss A/C
 - Finance A/C
 - Balance Sheet
- The salary paid to manager, for a period before acquisition of business should be CO2K1
 - Divided in time ratio
 - Posted in pre-incorporation period
 - Posted in post-incorporation period
 - Divided in adjusted time ratio
- Profit prior to incorporation is treated as CO2K2
 - Revenue Profit
 - Capital Profit
 - Operating Profit
 - Net Profit
- Internal Reconstruction generally involves CO3K2
 - Re-organization of share capital
 - Capital Reserve
 - Revenue reserve A/c
 - Profit & Loss A/c
- In Amalgamation, when one company taken over the other it is called as CO3K2
 - Merger
 - Purchase
 - Reconstruction
 - Conversion
- The XBRL stands for CO3K2
 - Extensible Business Reporting Language
 - Extra Business Reporting Language
 - External Business Reporting Language
 - Extensible business Reporting Language
- Which documents contain both mandatory and voluntary disclosures? CO3K2
 - Balance sheet
 - Annual Report
 - financial account
 - income statement

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- a. Good luck Ltd. Invited applications for 20,000 shares of the value of Rs.20 each. The amount payable is Rs.5 on application, Rs.8 on allotment and the balance when required. The whole of the above issue was applied for and cash was duly received. Give the journal CO1K3

11.b. Modern Fibres Ltd., has part of its share capital as 5,000 redeemable preference shares of Rs.100 each. When the shares became due for redemption, the company decided that the whole amount will be redeemed out of a fresh issue of equal amount of equity shares of Rs. 10 each. Show the journal entries in the books of the company. CO1K3

12.a. Following balances have been extracted from the books of Rama Ltd., on 31st March 2018: CO2K3

Particulars	Amount in Rs.
Equity share capital (1,00,000 shares of Rs. 10 each)	10,00,00
securities premium	2,00,000
12% Debentures	5,00,000
Creditors	2,00,000
Proposed Dividend	50,000
Surplus (Balance in statement of profit and loss) (debit)	50,000
Land and Building	9,00,000
Government Bonds	5,00,000
Capital work-in progress (Building)	3,50,000
Discount on issue of 12% debentures	1,00,000
Cash at bank	50,000
Furniture	60,000
Debtors	20,000

Debenture was issued on 1st April, 2013 redeemable after 5, years i.e. on 31st March 2021. Surplus i.e. Balance in statement of profit and loss is before writing off discount on issue of debentures. Prepare the balance sheet of the Companies Act, 2013 as per revised schedule III.

(or)

12.b. Explain the preparation of cash flow statement using a Spreadsheet. List any three spreadsheet functions with examples. CO2K2

13.a. Kay Ltd has an issue capital of Rs.5,00,000 in 50,000 shares of Rs.10 each on which Rs. 8 per share has been called up. The company now decides to reduce the share capital to share of Rs. 8 each fully paid by cancelling the unpaid amount of Rs. 2 per share. Pass journal entry. CO3K3

(or)

13.b. Explain the proforma of Statement of Profit and Loss as per Schedule III in brief. CO3K2

14.a. Raman Ltd., agrees to purchase the business of Krishnan Ltd., on the following terms:

a. For each of the 10,000 shares of Rs.10 each in Krishnan Ltd., 2 shares in Raman Ltd., of Rs. 10each will be issued at an agreed value of Rs.12 per share. In addition, Rs. 4 per share cash also will be paid.

b. 8% debentures worth Rs.80,000 will be issued to settle the Rs.60,000 9% debentures in Krishnan Ltd.,

c. Rs.10,000 will be paid towards expenses of winding up.

Calculate the purchase considerations. CO4K3

(or)

14.b. Explain the pooling of interest method of accounting for amalgamation in brief. CO4K2

15.a. Describe the process E-filing of annual reports of companies with reference to XBRL. CO5K2

(or)

15.b. Explain the limitations of accounting standards in brief. CO5K2

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

16.a. Good Prospects Ltd. Issued 40,000 shares of Rs.10 each at a premium of Rs.2 per share. CO1K3

The shares were payable as follows:

Rs.2 on application

Rs.5 on allotment (including premium)

Rs.5 on first and final call

All the shares were applied for and allotted. All moneys were received with the exception of the first and final call on 1,000 shares which were forfeited. 400 of these were reissued as fully paid at Rs.8 per share. Give the necessary entries, prepare the bank A/c and the balance of the company.

(or)

16.b. G Ltd issued 2,000, 12% debentures of Rs.100 each on 1.1.2018 at a discount of 10% CO1K3
redeemable at premium of 15% in equal annual drawings in 4 years out of profits. Give journal entries both at the time of issue and redemption of debentures. (Ignore the treatment of loss on issue of debentures and interest).

17.a. Big bull Lt. has a nominal capital of Rs.6,00,000 divided into shares of Rs.10 each. CO2K4
The following Trial Balance is extracted from the books of the company as on 31.12.2021:

Particulars	Rs.	Particulars	Rs.
Calls in arrear	7,500	6% debentures	3,00,000
Premises (Rs.60,000 added on 1.7.2021)	3,60,000	P & L A/c (1.1.2021)	14,500
Machinery	3,00,000	Creditors	50,000
Interim dividend paid	7,500	General Reserve	25,000
Purchases	1,85,000	Share capital (called up)	4,60,000
Preliminary Expenses	5,000	Bills Payable	38,000
Freight	13,100	Sales	4,15,000
Director's fees	5,740	Provision for bad debts	3,500
Bad Debts	2,110		
4% Government Securities	60,000		
Stock (1.1.2021)	75,000		
Furniture	7,200		
Sundry Debtors	87,000		
Goodwill	25,000		
Cash	750		
Bank	39,900		
Wages	84,800		
General Expenses	16,900		
Salaries	14,500		
Debenture interest	9,000		
Total	13,06,000		13,06,000

Prepare the final accounts of the company for the year ending 31.12.2021 in the prescribed form after taking into account the following adjustments.

- Depreciate machinery by 10% and Furniture by 5%
- Write off preliminary expenses
- Wages include Rs. 10,000 paid for the construction of a compound wall to the premises and no adjustment was made.
- Provide 5 % for bad debts on sundry debtors
- Transfer Rs.10,000 to general reserve
- Provide for income tax Rs. 25,000
- Stock on 31.12.2021 was Rs.1,01,000

(or)

17.b. Explain about managerial remuneration and the calculations of managerial remuneration. CO3K2

18.a. A Company's position on 31.12.2020 was as follows: CO3K3

- 20,000 equity shares of Rs.100 each Rs.20,00,000
- 10,000 6% debentures of Rs.100 each Rs.10,00,000
- Interest outstanding on debentures Rs.1,20,000
- Creditors Rs.5,00,000
- Assets on that date were as under:
 - Fixed assets Rs.20,00,000
 - Current assets Rs.6,50,000

Fixed assets were revalued at Rs.9,60,000 and current assets at Rs.4,80,000.
The capital reduction scheme approved by court was as follows:

- i) The shares were subdivided into shares of Rs, 5 each and 90 % of the shares were surrendered
- ii) Claims of debenture holders were reduced to Rs.4,90,000 for which Rs.2,50,000 equity shares were allotted.
- iii) Creditors agreed to reduce their claims to Rs. 3,00,000, 1/3 of which was satisfied by the issue of equity shares out of those surrendered.
Draft journal entries.

(or)

18.b. Explain in detail the internal reconstruction or capital reduction and its accounting entries. CO3K2

19.a. P Ltd and S Ltd agreed to amalgamate on the basis of the following balance sheets as on 31.3.2022 CO3K2

Liabilities	P (Rs.)	S (Rs.)	Assets Rs.	P (Rs.)	S (Rs.)
Share Capital Rs.10 each	8,000	3,000	Fixed Assets	11,000	4,730
10% preference share capital of Rs.100 each	-	1,000	Current Assets	4,000	1,970
General Reserve	4,610	980			
Statutory Reserve	390	125			
Profit and Loss A/c	563	355			
12% Debentures	-	250			
Current Liabilities	1,437	990			
Total	15,000	6,700		15,000	6,700

On 1st April, 2022, P Ltd., takes over S Ltd., on the Following Terms:

- i) P Ltd., will issue 3,50,000 equity shares of Rs.10 each at par to the equity shareholders of S Ltd.
- ii) P Ltd., will issue 11,000 10% Preference shares of Rs.100 each at par to the preference shareholders of S Ltd.,
- iii) The debentures of S Ltd. Will be converted into an equal number of 12.5% debentures of the same denomination

You are informed that the statutory reserves of S Ltd, are to be maintained for two more years. You are required to show the balance sheet of P Ltd. Immediately after the above mentioned scheme of amalgamation has been implemented assuming that:

- a) The amalgamation is in the nature of merger; and
- b) The amalgamation is in the nature of purchase.

(or)

19.b. Explain various provisions of accounting standards for amalgamation in detail. CO4K2

20.a. Explain the types of financial report in detail. CO5K2

(or)

20.b. Explain the objectives and importance of corporate financial report in modern business. CO5K2
