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II Semester B.B.A. Degree Examination, June/July - 2025

BUSINESS ADMINISTRATION

Corporate Accounting

(SEP Scheme Freshers Only)

Time : 3 Hours

Maximum Marks : 80

Instructions to Candidates:

Answers should be written Completely in English only.

SECTION - A

Answer any Five of the following questions. Each question carries Two marks.

(5×2=10)

1. a. What are marked application?
- b. Mention the types of shares issued by Indian Company.
- c. What is Sales Ratio?
- d. What is meant by post incorporation period?
- e. What is financial cost? Give example.
- f. Mention the types of underwriting.
- g. What is proxy form?
- h. What is corporate financial reporting?

SECTION - B

Answer any Four of the following questions. Each question carries Five marks.

(4×5=20)

2. List out the heading and content of an Annual Report.
3. Under what head the following items appears on the balance sheet of Joint Stock Company.

a) Share Premium

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- b) Live stock
 - c) Call in arrears
 - d) Proposed dividend
 - e) Bills Receivable
4. Calculate the cost of goods from the following data.
Merchandise inventory on 1st April 2024 Rs. 40,000.
Purchases Rs. 1,10,000
Purchase return and allowances Rs. 10,000
Freight Rs. 7,000
Merchandise inventory on 31st March 2025 Rs. 50,000.
5. Hindustan Company Ltd. issued 10,000 equity shares of Rs. 100 each, payable Rs. 25 on application, Rs. 25 on allotment and the balance on first and final call at Rs. 50 each, of these 400 shares were forfeited as first and final call money was not received. The forfeited shares were Re-issued at Rs. 80 per shares. Give Journal entries for forfeited and Re-issue of shares.
6. ABC Ltd., issued equity shares of Rs. 10,00,000 in Rs. 10 shares. The whole issue was fully underwritten by the following underwriters.
A - 35000, B - 30000, C - 20000, D - 10000, E - 3000, F - 2000. The application forms marked by the underwrites were :-
A - 10000, B - 22500, C - 20000, D - 7,500, E-5000 and F Nil. Applications for 2000 shares were received on forms not marked. You are required to find out the net liabilities of underwriters.



7. Calculate sales Ratio from the following:

X Company was incorporated on 1-8-2023 and acquired a business with effect from 1-4-2023.

Total sales from 1-4-2023 upto 31-3-2024 was Rs. 6,00,000. Sales for April and May = $1\frac{1}{2}$

times the average monthly sales. Sales from June to October = $\frac{1}{2}$ of average monthly sales.

Sales from November and December = $\frac{1}{4}$ of average monthly sales and sales from January to March = Double the average Monthly sales.

SECTION - C

Answer any Three questions. Each question carries Fifteen marks. (3×15=45)

8. Royal Limited issued 10,000 shares of Rs. 100 each at a premium of 10% per share, payment to be made as follows.

On Application Rs. 20

On Allotment Rs. 40 (including premium)

On first call Rs. 20

On final call Rs. 30

All the shares were subscribed and Money duly received, except the first call on 500 shares and final call on 1,000 shares.

Pass the necessary journal entries in the books of the Company.

9. Ajay Ltd. issued 5,00,000 shares of Rs. 10 each at a premium of 20% for public subscription.

The issue was underwritten by the under writers as follows:

A - 2,50,000 shares (Firm underwriting 25,000 shares)

B - 1,50,000 shares (Firm underwriting 15,000 shares)

C - 1,00,000 shares (Firm underwriting 10,000 shares)

[P.T.O.]

The total applications received for 4,00,000 shares (excluding firm underwriting) of which marked applications were as under:

A - 115000 shares, B - 125000 shares, C-130000 shares.

The underwriting commission is 5% on the issue of price and the company agreed to treat under writing applications as marked forms:-

You are required to calculate:-

- The net liability of each underwriters in terms of number of shares.
- Commission due to each underwriters.

10. Sunshine Ltd. was incorporated on August 1, 2023 to take over the business of camlim Ltd. as a going concern from 1st April 2023. The profit and loss account for the year ending on 31st March 2024 is as follows:

The Sunshine Ltd.

Statement of Profit and Loss for the year ended 31st March 2024.

| Dr. | | Cr. | |
|------------------------|--------|-----------------|----------|
| Particulars | Rs. | Particulars | Rs. |
| To rent and taxes | 48,000 | By Gross profit | 6,20,000 |
| To Insurance | 12,000 | | |
| To electricity charges | 9,600 | | |
| To salaries | 14,400 | | |
| To Director's fees | 12,400 | | |
| To Audit fees | 6,000 | | |
| To commission | 24,000 | | |
| To Advertisement | 16,000 | | |
| To Discount | 14,000 | | |
| To office expenses | 30,000 | | |
| To carriage | 12,000 | | |
| To Bank charges | 6,000 | | |



(5)

DCBB214

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| To Preliminary expenses | 26,000 | |
| To Bad debts | 8,000 | |
| To Interest on loan | 12,000 | |
| To Net profit | 3,69,600 | |
| | 6,20,000 | 6,20,000 |

The total turnover for the year ending 31-3-2024 was Rs. 20,00,000 divided into Rs. 6,00,000 for the period upto 1-8-2023 and Rs. 14,00,000 for the remaining period.

Ascertain the profits earned prior to and post incorporation period.

11. The following is the Trail balance of detergent Company Ltd. as on 31-3-2025. The Company has 20,000 shares of Rs. 100 each as Registered capital.

| Particulars | Dr. Rs. | Cr. Rs. |
|---------------------------------------|----------|----------|
| Shares (3,000 shares of Rs. 100 each) | - | 3,00,000 |
| Calls in Arrears | 16,000 | - |
| Reserve Fund | - | 2,50,000 |
| Building | 1,80,000 | - |
| Fixed Deposits | - | 1,00,000 |
| Wages | 30,000 | - |
| Machinery | 89,000 | - |
| Furniture | 80,000 | - |
| Purchases and Sales | 2,10,000 | 5,25,000 |
| Salary | 60,000 | - |
| Debtors and creditors | 2,20,000 | 1,50,000 |
| Bills Receivable and bills payable | 61,000 | 90,000 |
| Directors fees | 20,000 | - |
| Returns | 15,000 | 20,000 |
| Freight | 10,000 | - |

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|---|------------------|------------------|
| Manufacturing expenses | 5,000 | - |
| Opening stock | 65,000 | - |
| Interim Dividend (excluding corporate Dividend tax) | 25,000 | - |
| Audit fees | 15,000 | - |
| Profit and Loss Account | - | 27,000 |
| Tools | 38,000 | - |
| Preliminary expenses | 60,000 | - |
| Debentures | - | 1,00,000 |
| Interest on debenture | 14,000 | - |
| Investments | 2,50,000 | - |
| Goodwill | 52,000 | - |
| Insurance and Taxes | 20,000 | - |
| Printing and Stationery | 15,000 | - |
| Cash and bank balances | 12,000 | - |
| Total | 15,62,000 | 15,62,000 |

Adjustments:

- a) Directors proposed a total dividend of 25%.
- b) Write off 25% of preliminary expenses and 10% of goodwill.
- c) Depreciate Buildings by 2% and furniture by 5%.
- d) Transfer Rs. 60,000 to Reserve fund.
- e) Insurance prepaid Rs. 1,500.
- f) Closing stock Rs. 80,000.

Prepare statement of profit and loss and balance sheet as per companies Act 2013

12. Explain the types of corporate financial Reporting.



(7)

DCBB214

SECTION - D

Answer the followings question, Which carries Five marks.

(1×5=5)

13. Prepare the Balance Sheet of the Company with imaginary figures as per schedule III of Company's Act 2013.
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