

Reg. No.: .....



Name: .....

**University of Kerala**

W6750

Third Semester Degree Examination, November 2025

Discipline Specific Core Course

**COMMERCE**

**UK3DSCCOM201 - Corporate Accounting**

Academic Level: 200-299

**Time: 2 Hours(120 Mins)**

**Max. Marks: 56**

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions

Qn No.	Question	CL	CO
1	The distribution of accumulated reserves and surplus to existing shareholders, in proportion to the shares held by them, is known as:  Options : A)Right Issue B)Bonus Shares C)Public Issue D)Reissue of Shares	RE	2
2	Capital Reserve is the reserve built out of _____  Options : A)Revenue Profit B)Net Profit C)Gross Profit D)Capital Profit	RE	4
3	Redemption of preference shares means  Options : A)A. Issue of new shares B)B. Repayment of capital to preference shareholders C) C. Conversion to equity shares D) D. Distribution of profits	UN	3
4	TDS deducted and payable must be Shawn under :  Options : A)Current liabilities B)Contingent liabilities C)Long term liabilities D)Fixed asset	UN	3
5	What is the main purpose of underwriting in public issue	UN	2

Qn No.	Question	CL	CO
	Options : A)To increase the share price B)To guarantee the sale of a minimum number of securities C)To reduce tax liability D)To provide loans to the company		
6	Define the main purpose of accounting standards  Options : A)To increase profits B)To allow companies to set their own rules C)To ensure consistency and comparability own rules D)To hide financial information	UN	1

**Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions**

Qn No.	Question	CL	CO
7	Differentiate between interim dividend and proposed dividend	UN	4
8	Explain any two purposes for which the Securities Premium Account can be utilized as per the Companies Act, 2013.	UN	3
9	A company redeems 10 lakhs of preference shares from profits .What must it do with respect to company to capital redemption reserve?	AP	3
10	A company offers to its shareholders the right to one share of 100 each at 125 for every three shares of 100 each held. The market value of shares is ₹195. Calculate the value of right.	AP	2
11	Illustrate the treatment of provision for taxation and advance tax in balance sheet	AP	4

**Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options \* within each question**

Qn No.	Question	CL	CO
12	A) How can you classify the enterprises for the applicability of accounting standards?  OR B) Demonstrate the process of issuing an Accounting Standard in India	AP	1, 1
13	A) Articulate how depreciation is recorded and presented in the financial statements of joint stock company.	AP	5, 5

Qn No.	Question	CL	CO
	<p>OR</p> <p>B)</p> <p>Identify the major heads under which the following items will be shown in the Balance sheet of a company as per the Companies Act 2013.</p> <p>a) Provision for Tax</p> <p>b) Loans repayable on Demand</p> <p>c) Computer Related Equipment</p> <p>d) Goods acquired for Trading</p> <p>e) Deffered Tax.</p>		
14	<p>A)</p> <p>Compare the impact of redemption from fresh issue vs redemption from reserves on a company's financial structure.</p> <p>OR</p> <p>B)</p> <p>On 1st April, 20X1 the Company has made final call @ ` 2 each on 90,000 equity shares. The call money was received by 20th April, 20X1. Thereafter the company decided to capitalise its reserves by way of bonus at the rate of one share for every four shares held. Show necessary entries in the books of the company and prepare the extract of the Balance Sheet immediately after bonus issue assuming that the company has passed necessary resolution at its general body meeting for increasing the authorised capital.</p>	AN	3, 4
15	<p>A)</p> <p>Construction cost of building of a company is Rs. 84 Lakhs and its residual value is estimated Rs.4 Lakhs Useful life of bulding is 40 years .</p> <p>1. Calculate Depreciation as per the provision of schedule II of the Companies Act 2013</p> <p>2. Give journal entries for the above</p> <p>OR</p> <p>B)</p> <p>Analyse the different disclosure and classification of share capital as per companies Act 2013 as schedule III and division I</p>	AN	4, 1

**Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options \* within each question**

Qn No.	Question	CL	CO
16	<p>A)</p> <p>Discuss the key Accounting Standards in India and explain their applicability to different types of enterprises</p>	AN	1, 1

Qn No.	Question	CL	CO																																																																														
	OR B)  Do you agree that the adoption of IFRS has improved the quality and comparability of financial reporting in India? Evaluate this statement with suitable reasoning and examples.																																																																																
17	A)  From the following assets and liabilities, prepare and evaluate the balance sheet of the company as per Schedule III, Par I of the Companies Act, 2013: <table border="1" data-bbox="140 622 1289 1238" style="margin: 10px auto;"> <thead> <tr> <th>Liabilities</th> <th>Amount</th> <th>Assets</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td>1,00,000</td> <td>Cash at bank</td> <td>79,800</td> </tr> <tr> <td>General reserve</td> <td>50,000</td> <td>Cash in hand</td> <td>1,500</td> </tr> <tr> <td>Interest on debentures</td> <td>28,000</td> <td>Long term investment</td> <td>95,000</td> </tr> <tr> <td>Subscribed capital 8,00,000</td> <td></td> <td>Preliminary expense</td> <td>9,000</td> </tr> <tr> <td>Less: calls in arrears 15,000</td> <td>7,85,000</td> <td>Current assets, loans and advances</td> <td>95,000</td> </tr> <tr> <td>Profit and loss account</td> <td>75,000</td> <td>Goodwill</td> <td>50,000</td> </tr> <tr> <td>6% debentures</td> <td>6,00,000</td> <td>Buildings</td> <td>600,000</td> </tr> <tr> <td>Bills payable</td> <td>76,000</td> <td>Plant 6,60,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Less Dep 66,000</td> <td>5,94,000</td> </tr> <tr> <td></td> <td></td> <td>Stock</td> <td>10,000</td> </tr> <tr> <td></td> <td></td> <td>Debtors 1,74,000</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Less: Provision 8700</td> <td>1,65,300</td> </tr> <tr> <td></td> <td></td> <td>Furniture</td> <td>14,400</td> </tr> </tbody> </table> OR B)  The following balances have been extracted from the books of X Ltd. as on 31 <sup>st</sup> March 2020 <table border="1" data-bbox="140 1462 957 2172" style="margin: 10px auto;"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>90,00,000</td> </tr> <tr> <td>Rent, rates and taxes</td> <td>4,50,000</td> </tr> <tr> <td>Depreciation</td> <td>6,00,000</td> </tr> <tr> <td>Salaries and wages</td> <td>4,50,000</td> </tr> <tr> <td>Other Income</td> <td>1,50,000</td> </tr> <tr> <td>Power and fuel</td> <td>3,00,000</td> </tr> <tr> <td>Other operating incomes</td> <td>3,00,000</td> </tr> <tr> <td>Finance cost</td> <td>3,00,000</td> </tr> <tr> <td>Cost of materials consumed</td> <td>45,00,000</td> </tr> <tr> <td>Decrease n inventories of finished goods</td> <td>4,00,000</td> </tr> </tbody> </table>	Liabilities	Amount	Assets	Amount	Creditors	1,00,000	Cash at bank	79,800	General reserve	50,000	Cash in hand	1,500	Interest on debentures	28,000	Long term investment	95,000	Subscribed capital 8,00,000		Preliminary expense	9,000	Less: calls in arrears 15,000	7,85,000	Current assets, loans and advances	95,000	Profit and loss account	75,000	Goodwill	50,000	6% debentures	6,00,000	Buildings	600,000	Bills payable	76,000	Plant 6,60,000				Less Dep 66,000	5,94,000			Stock	10,000			Debtors 1,74,000				Less: Provision 8700	1,65,300			Furniture	14,400	Particulars	Amount	Sales	90,00,000	Rent, rates and taxes	4,50,000	Depreciation	6,00,000	Salaries and wages	4,50,000	Other Income	1,50,000	Power and fuel	3,00,000	Other operating incomes	3,00,000	Finance cost	3,00,000	Cost of materials consumed	45,00,000	Decrease n inventories of finished goods	4,00,000	EV	5, 4
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	<p>Tax to be provided at 28%</p> <p>You are required to create a statement of Profit and Loss for the year ended 31<sup>st</sup> March 2020</p>		
18	<p>A)</p> <p>Journalize the following transactions at the time of Issue and Redemption of debentures(Consider face value of debentures as Rs.100)</p> <p>(a) A debenture issued at Rs 90 repayable at Rs 100</p> <p>(b) A debenture issued at Rs. 95 repayable at Rs 105</p> <p>(c ) A debenture issued at Rs.100 repayable at Rs.105</p> <p>(d) A debenture issued at Rs 105 repayable at Rs.100</p> <p>OR</p> <p>B)</p> <p>On 31<sup>st</sup> March 2024 a company redeems its debenture liability of Rs.500000. On 1<sup>st</sup> April 2023 the debenture redemption fund and its investments amounted to Rs.405000. The amount appropriated for the purpose during the year is Rs. 74000 and interest received amount to Rs.21000. The investment on 31<sup>st</sup> March 2024 realised to Rs 435000. Prepare debenture redemption fund and debenture redemption investment account for the year ending 31<sup>st</sup> March 2024.</p>	EV	4, 4

Qn No.	Question	CL	CO
19	<p>A)</p> <p>Gajendra Ltd. invited the public to subscribe for 100000 equity shares of ₹ 10 each at a premium of ₹ 1 per share payable on allotment. Payments were to be made as follows;</p> <p>On application Rs 3, On Allotment Rs 3; On first call Rs 3 and on final call Rs 2.</p> <p>Applications were received for 130000 shares; applications for 20000 shares were rejected and allotment was made proportionately to the remaining applicants. Both the calls were made and all the money were received except the final call on 3000 shares which are forfeited after due notice. Later all these shares were issued as fully paid at Rs 8.50 per share. Pass necessary journal entries.</p> <p>OR</p> <p>B)</p> <p>Ibru bros and Co. Ltd. has a paid up equity share capital of ₹20,00,000 in 2,00,000 shares of ₹10 each. It resolved to buyback 50,000 equity shares at ₹15 per share. For this purpose. it issued 20,000 12% preference shares of ₹10 each, at par, payable along with application. The company has to its credit ₹2,50,000 in securities premium account and ₹10,00,000 in the general reserve account. The company utilized the general reserve. Pass the necessary journal entries.</p>	CR	2, 2