



Seat No. : _____

DP-205

December-2025

Second Year Int. M.B.A., Sem.-III

KS-MBA-DSC-C-232 : Corporate Accounting

Time : 2:00 Hours]

[Max. Marks : 50

1. R Ltd. issued for public subscription 80,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as under : 10
- On application – ₹ 2 per share
 - On allotment – ₹ 5 per share (including premium)
 - On first call – ₹ 2 per share
 - On second and last call – the remaining amount

Applications were received for 1,20,000 shares. Allotment was made pro-rata to the applicants for 96,000 shares; remaining applications being rejected and applications money refunded there on. Money overpaid on application was utilised towards sums due on allotment.

Mr. A, to whom 3,200 shares were allotted, failed to pay the allotment money and both the calls money. Mr. B to whom 4,000 shares were allotted failed to pay the two calls. Shares of Mr. A and Mr. B were subsequently forfeited after the second call was made. All the forfeited shares were reissued to Mr. C as fully paid at maximum possible discount.

Pass necessary journal entries to record above transactions.

OR

1. (a) 1000 shares of ₹ 10 each on which ₹ 8 per share has been called and ₹ 6 per share has been paid were forfeited by N Ltd. Out of these, 750 shares are reissued ₹ 7 each as fully paid. Give journal entries related to forfeiture and re-issue of shares. 5
- (b) A Ltd. wants to buy-back 1,00,000 equity shares @ 12.50 per share. From the following information record the journal entries for buy-back of equity shares in the books of A Ltd. assuming that there is enough cash available to buy-back. 5

Particulars	Amount (₹)
Equity share capital (fully paid shares of ₹ 10 each)	80,00,000
9% Pref. share capital (fully paid shares of ₹ 100 each)	20,00,000
General reserve	20,00,000
Securities premium	25,00,000
Profit and loss account	5,00,000

2. In March 2021, Aditya Ltd. offered for subscription 1,500 12% debentures of ₹ 1,000 each at an issue price of 95%, payable as follows : ₹ 100 on Application, ₹ 600 on Allotment, and balance on first and final call. Interest is payable half-yearly on 30th June and 31st December. The first interest coupon, payable on 30th June, 2021, is for 4 months @4%. The issue was fully subscribed. Rate of TDS is 10%. Pass necessary journal entries for the issue of debentures and payment of interest on 30th June and 31st December. 10

OR

2. Anjali company issued 20,000 Equity shares of ₹ 10 each which were underwritten by X, Y & Z as follows : X – 10,000, Y – 6,000, Z – 4,000. In addition there was firm underwriting by X – 1,000, Y – 500, Z – 1,500. A company received applications for 15,200 shares including firm underwriting and the Number of marked applications which were as follows : X – 3,000, Y – 4,500, Z – 1,700. Calculate the liability of each underwriter and also calculate the commission receivables by each underwriter at 2%. 10
3. A Ltd. company was registered with an authorised capital of ₹ 40,00,000, divided into equity shares of ₹ 10 each. The following balances were extracted from its books on 31/03/2024 : 10

Particulars	Amount (₹)
Purchases	10,80,000
Manufacturing Expenses	72,300
Salaries	5,80,200
Bad Debts	12,400
Directors' Fees	40,250
Debenture Interest Paid	72,000
Calls in Arrears	45,000
Plant & Machinery	18,50,000
Premises	20,00,000
Interim Dividend Paid	2,20,000
Furniture & Fixtures	42,500
Sundry Debtors	5,10,000
General Expenses	96,800
Closing Stock (01/04/2023)	4,40,000
Goodwill	1,20,000
Cash & Cash Equivalents	3,35,550
Subscribed & Fully Paid-up Share Capital	25,00,000
Surplus Account (Credit Balance)	90,000
8% Debentures	18,00,000
Trade Payables	5,37,000
Sales	24,30,000
General Reserve	1,60,000

Additional Information :

- (a) Provide depreciation on Plant & Machinery @ 10%.
- (b) Provide half-year interest on Debentures.
- (c) Create Provision for Doubtful Debts @ ₹ 5,500.
- (d) The closing stock on 31/03/2024 was valued at ₹ 5,10,000.

Prepare Statement of Profit and Loss for the year ended 31st March, 2024 and Balance Sheet as at that date.

4. XYZ Ltd. purchased the business of PQR on 30-06-2024. The profits earned by PQR in the preceding four years ending on 31st December were as follows : 10

Year	Profit
2020	1,30,000
2021	1,50,000
2022	1,10,000
2023	1,25,000

On scrutiny of the accounts, the following information was revealed :

- The profit of 2022 includes a non-recurring income of ₹ 10,000.
- In future, the business will have to bear an insurance premium of ₹ 6,000 per year.
- An annual charge of ₹ 18,000 should be provided every year.
- The capital invested in the business is ₹ 7,50,000.
- The normal rate of return on the capital invested is 10%.

Calculate the value of Goodwill of the business on the basis of Super Profit Method, taking 2 years' purchase.

OR

4. The following is the Balance Sheet of Hemanshi Industries Ltd. : 10

Particulars	Amount
I. Equity and Liability	
(1) Shareholders' funds	
(a) Share capital	3,20,000
(b) Reserves and surplus	(1,20,000)
(2) Non-current Liability	90,000
(3) Current Liability	40,000
Total	3,30,000
II. Assets	
(1) Non-Current Assets :	
(a) Land	1,80,000
(b) Non-current Investment	25,000
(2) Current Assets :	
(a) Inventory	45,000
(b) Trade Receivables	60,000
(c) Cash & Cash Equivalents	20,000
Total	3,30,000

Notes :

- 2,000 equity shares of ₹ 10 each, fully paid
- 28,750 equity shares of ₹ 10 each, ₹ 8 paid-up
- 700 10% preference shares of ₹ 100 each, fully paid

Additional Information :

- Current market value of land and building is ₹ 2,80,000 and investment is ₹ 18,000.
- Inventory is valued at ₹ 55,000 and only 50% of debtors are expected to be realised.
- Preference dividend for the last five years is in arrears.

Calculate the intrinsic value per equity share using the Net Assets Method.

5. Multiple choice questions : (Answer any 10)

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- (1) A debenture represents which type of capital ?
 - (a) Loan capital
 - (b) Share capital
 - (c) Working capital
 - (d) None of the above
- (2) Debenture can be issued at _____.
 - (a) Par
 - (b) Premium
 - (c) Discount
 - (d) All of the above
- (3) Goodwill is classified as _____.
 - (a) Tangible asset
 - (b) Intangible asset
 - (c) (a) and (b) both
 - (d) None of the above
- (4) Super profit is _____.
 - (a) Average profit – normal profit
 - (b) Average profit × normal profit
 - (c) Normal profit – average profit
 - (d) Normal profit × average profit
- (5) In the balance sheet of a company, share capital is shown under :
 - (a) Current assets
 - (b) Current liability
 - (c) Shareholders' fund
 - (d) Non-current assets
- (6) Interest on debentures is classified as _____.
 - (a) Cost of material consumed
 - (b) Finance cost
 - (c) Depreciation and Amortization
 - (d) None of the above
- (7) In underwriting, if the actual applications received are less than the underwritten amount, the difference is known as _____.
 - (a) Unmarked applications
 - (b) Marked application
 - (c) Firm underwriting
 - (d) Underwriters liability
- (8) Underwriting means _____.
 - (a) Allotment of shares
 - (b) Guaranteeing the subscription of shares
 - (c) Selling of shares
 - (d) None of the above
- (9) When issue of share is oversubscribed, then such issue is
 - (a) Cancelled
 - (b) Postponed
 - (c) Underwritten
 - (d) None of the above
- (10) The maximum amount of discount which can be given on reissue of forfeited shares is equal to
 - (a) Face value of share
 - (b) Amount unpaid on share towards capital
 - (c) Amount paid on share towards capital
 - (d) Issue price of share
- (11) Amount for buy-back of shares can be arranged from
 - (a) Free reserves
 - (b) Securities premium
 - (c) Proceeds of fresh issue of other type of shares
 - (d) All of the above
- (12) Which of the following is not a precondition for buy-back of shares ?
 - (a) Authorisation by article of association
 - (b) A special resolution in general meeting
 - (c) Permission from registrar of companies
 - (d) Fully paid shares