

Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2026

Course : BBA/ DBA Subject Code : BBACC202 / DBACC202 Subject Name : Corporate Accounting	Date : 13-07-2026 Time : 03:00pm to 05:15pm Duration : 02.15 Hours Max. Marks : 70
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Answer the following Questions:

Marks

Q -1 What do you mean by Company? Explain various types of companies.

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OR

Q -1 The balance sheet of X Co. ltd. as on 31-3-2024 was as follows:

Particulars	Note No.	Rs.
I. Equities and Liabilities:		
(1) Shareholder's Fund:		
(a) Share capital:		
4,000 Equity shares of Rs. 100 each		4,00,000
(b) Reserves and Surplus:		
Share premium: 80,000		
Reserve fund: 2,00,000		
Profit and loss A/c: <u>1,50,000</u>		4,30,000
(2) Current Liabilities:		
(a) Trade Payable:		
Sundry Creditors		70,000
Total		9,00,000
II. Assets		
(1) Non-Current Assets		9,00,000
Total		9,00,000

The company decided to issue Bonus shares at the rate of 3 shares for every 4 shares and for this purpose, it was decided to utilize the total amount for Share Premium; Rs. 1,20,000 out of Reserve Fund and the balance out of Profit and Loss A/c.

You are required to pass journal entries to give effect to the above and prepare the amended Balance Sheet.

Q -2 Discuss various types of Debentures.

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OR

Q -2 The Balance of Anjali Ltd. as on 31-3-24 was as under:

Particulars	Amount (Rs.)
Paid-up share capital	15,00,000
14% debenture	5,00,000
Share premium	2,50,000
Goodwill	9,37,000

Land & Building	12,00,000
Plant & Machinery	15,00,000
General Reserve	6,00,000
Audit fees	12,000
Directors' fees	18,000
Debentures Interest	35,000
Custom	1,25,000
Bills Receivable	1,20,000
Bills Payable	1,50,000
Postage and telegram	50,000
P & L A/c [1-4-23]	5,75,000
Furniture	3,00,000
Opening stock	4,80,000
Salary	1,53,000
Wages	2,30,000
Cash balance	2,50,000
Bank Overdraft	4,50,000
Purchase	41,55,000
Sales	61,95,000
Carriage inward	10,00,000
Carriage outward	15,000
Provident Fund	1,50,000
Patent and Trademark	2,40,000
Copyright	2,00,000
Office expenses	50,000
Tools	60,000
Unpaid dividend	20,000
Insurance premium	12,000
Debtors	4,50,000
Creditors	3,20,000
Stationery and printing	80,000
Bad debts	30,000
Bad Debt Reserve	5,000
Provident Fund contribution	30,000

Additional Information:

- (1) Closing stock Rs. 8,05,000.
 - (2) Provide depreciation 10% on Land & Building, 15% on Furniture, 20% on Plant & Machinery, 25% on Tools.
 - (3) Write off Rs. 10,000 as Bad Debt and provide 5% Bad Debt Reserve on debtors
 - (4) 2,00,000 is to be transferred to the General Reserve a/c.
 - (5) Proposed dividend 40% on share capital.
 - (6) Provide tax provision 57.5% on Net profit.
- Prepare the Company's Final Accounts as per the Companies Act, 2013.

Q -3 Discuss the factors affecting the value of shares.

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OR

Q -3 Samson Ltd. issued 90,000 shares each of Rs. 10. The following three underwriters have taken responsibility as under:

Paresh: 45,000 shares, Parag: 4,500 shares, Pravin: 15,000 shares.

They have also agreed for fixed underwriting for the following shares:

Paresh: 7,500 shares, Parag: 4,500; Pravin: 4,500 shares.

The company received applications for 60,000 shares, which does not include fixed underwriting. Out of these, marked applications were as under for 45,000 shares.

Paresh: 18,000 shares, Parag: 15,000 shares; Pravin: 12,000 shares.

(1) Fix the liability of each underwriter. No credit is given for fixed underwriting.

(2) Give journal entries in the books of Samson Ltd.

(3) 5% commission is to be paid to underwriters.

Q -4 The balance sheet of Unitech Ltd. as on 31st March, 2022 was as under:

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LIABILITIES	AMOUNT
Paid up Capital:	
1,000 6% Pref. shares of Rs. 100 each	1,00,000
2,000 Equity shares of Rs. 100 each fully paid	2,00,000
3,000 Equity shares of Rs. 100 each Rs. 50 Paid	1,50,000
Secured Loan:	
6% Debentures (Floating charge on all assets)	1,00,000
Other Loan:	
Mortgage on Land & Building	1,00,000
Current Liabilities:	
Sundry Creditors	90,000
Income Tax	10,000
Total	7,50,000
ASSETS	AMOUNT
Fixed Assets:	
Land and Building	2,00,000
Plant and Machinery	2,20,000
Current Assets:	
Stock	1,00,000
Debtors	1,00,000
Cash & Bank	30,000
Profit & Loss Account	1,00,000
Total	7,50,000

The company went into voluntary liquidation on 1st April, 2022.

- The preference dividend was in arrears for three years.
- The arrears are payable on liquidation.
- The asset realized as follows:
Land and Building Rs. 2,40,000; Plant & Machinery Rs. 1,80,000; Stock Rs. 70,000 and Debtors Rs. 60,000.
- The liquidation expenses amounted to Rs. 8,000.
- The liquidator is entitled to a commission at 2% on all assets realized and 3% on the amount distributed to unsecured creditors.

All payments were made on 30th September, 2022.
Prepare the liquidator's final statement of receipts and payments.

OR

- Q -4** Discuss the valuation methods of HRA.
- Q - 5 (A)** Write a Short Note: (Any Three) **09**
- 1** Objectives of Capital Reduction
 - 2** Need for Valuation of Goodwill
 - 3** Factors Affecting the Value of Goodwill
 - 4** Process of Buy-back of Share
 - 5** Reasons of Buy back of Shares
- Q - 5 (B)** MCQs **05**
- 1** What is the primary purpose of capital reduction?
 - a) To increase the share capital of a company
 - b) To reorganize the company's capital structure
 - c) To pay dividends to shareholders
 - d) To issue new shares
 - 2** Which of the following is NOT a method of altering share capital?
 - a) Increasing the authorized share capital
 - b) Reducing the share capital
 - c) Issuing debentures
 - d) Consolidating or dividing shares
 - 3** Which of the following is NOT a reason for capital reduction?
 - a) To write off accumulated losses
 - b) To return excess capital to shareholders
 - c) To issue bonus shares
 - d) To restructure liabilities
 - 4** Which of the following is a benefit of Human Resource Accounting?
 - a) It helps to identify the cost of human resources
 - b) It helps to value human resources as assets
 - c) It helps to improve human resource management
 - d) All of the above
 - 5** What is the main objective of Social Responsibility Accounting?
 - a) To provide financial information to stakeholders
 - b) To provide information on the social and environmental impacts of a company
 - c) To improve the financial performance of a company
 - d) To reduce the social and environmental impacts of a company
