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**B.M.S COLLEGE FOR WOMEN**

**BENGALURU – 560004**

**III SEMESTER END EXAMINATION – JAN/FEB - 2024**

**B.Com. A&F/B.D.A. - CORPORATE ACCOUNTING**  
**(NEP Scheme 2022-23 onwards)**

**Course Code: BAF3DSC07**

**Duration: 2 ½ Hours**

**QP Code: 3036**

**Max. Marks: 60**

**SECTION-A**

**I. Answer any 5 question of the following. Each question carries Two Marks. (5X2=10)**

- What is the maximum rate of underwriting commission is payable as per law?
- Mention any two expenses charged only to post-incorporation period.
- State the different methods of valuation of shares?
- What are current assets? Give two examples.
- What is firm underwriting?
- What is revised time ratio?
- What is IPR?

**SECTION-B**

**Answer any 4 question of the following. Each question carries Five Marks. (4X5=20)**

- Calculate Revised time ratio from the given information  
Date of purchase 1-4-2021  
Books of accounts closed on 31-03-2022  
Final settlement to vendors on 1-09-2021  
Date of incorporation 1-07-2021
- Khan Ltd issued 10,000 6% shares of Rs 100 each at a discount of 6% and 80% of the issue was underwritten by Baba Ltd. For a commission of 2% on the issue price of shares. Public have applied for 7,500 shares. Determine the net liability of the underwriter
- Ganesh and Co., decided to purchase a business. Its profits for the last 4 years were:  
2018-19 – Rs 40,000  
2019-20 – Rs 50,000  
2020-21 - Rs 48,000  
2021-22 – Rs 46,000  
The business was looked after by the management. Remuneration from alternative employment if not engaged in the business comes to. Rs 6,000 p.a. Find out the

amount of goodwill, if it is valued on the basis of 3 years purchase of the average net profit for the last 4 years.

5. Compute the value shares by Net asset method from the following balance sheet of a company as on 31-3-2022

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
80,000 shares of 10 each	8,00,000	Goodwill	50,000
Reserve funds	1,00,000	Fixed assets	10,00,000
Profit and loss a/c	50,000	Current assets	4,00,000
5% debenture	1,00,000		
Creditors	3,00,000		
Provision for tax	1,00,000		
	<b>14,50,000</b>		<b>14,50,000</b>

6. What are the factors which determine value of goodwill?

### SECTION- C

Answer any 2 question of the following. Each question carries Twelve Marks. (2X12=24)

7. Nike Ltd issued 2,50,000 shares of Rs10 each which was underwritten as follows

A-75,000 shares (firm underwriting 8,000 shares)

B-62,500 shares (firm underwriting 12,000 shares)

C-62,500 shares (firm underwriting-Nil)

D-50,000 shares (firm underwriting 30,000 shares)

The total applications excluding firm underwriting but including marked applications were for 1,80,000 shares. The marked applications were as under:

A-40,000 shares,

B-36,000 shares

C-24,000 shares

D- 48,000 shares

Calculate the total liability of each underwriter treating

(a) Firm underwriting as marked applications

(b) Firm underwriting as unmarked applications

8. Balance sheet of Standard Ltd as on 31-3-2022 is as follows.

<b>Liabilities</b>	<b>Amount</b>	<b>Assets</b>	<b>Amount</b>
10,000 Equity Shares of Rs 100 each	10,00,000	Fixed assets	10,00,000
6,000,15%, Preference Shares of Rs 100 each	6,00,000	Stock	3,50,000
General reserve		Debtors	4,50,000
P&L account	80,000	Cash and bank	2,00,000
Sundry Creditors	1,60,000		

	1,60,000		
	<b>20,00,000</b>		<b>20,00,000</b>

The profits of the company (before providing taxation at 38.5%) rate of dividend declared in respect of the past 5 years is given below.

Financial year	Profits	Rate of dividend
2018-18	2,70,000	8%
2018-19	3,10,000	10%
2019-20	3,40,000	12%
2020-21	3,30,000	15%
2021-22	3,60,000	15%

You are required to find out value of goodwill at 5 years purchase of super profit of the company.

9. From the following particulars extracted from the books of Arvind Ltd. As on 31-3-2022

Particulars	Amount
Equity shares Rs 10 each fully paid	10,00,000
Securities premium	1,00,000
12% Debentures	4,00,000
Trade payables	2,00,000
Proposed dividends	50,000
Debit in statement of P&L	30,000
Investment in government bonds	4,00,000
Work in progress	1,00,000
Patents	40,000
Unclaimed dividends	10,000
Trade receivables	20,000
Public deposits	50,000
Plant and equipment's	6,00,000
Furniture and fixtures	1,00,000
Office equipment's	2,00,000
Stock in trade	2,60,000
Stores and spares	40,000
Expenses on issue of debentures	20,000

Prepare a balance sheet of the company as per schedule III, part I of the companies Act of 2013.

#### SECTION- D

Answer any 1 question of the following which carries Six Marks.

(1X6=6)

11. What is IPO and FPO? List out the names of Indian companies which have issued in recent times.
12. Prepare vertical Balance Sheet with imaginary figures.

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