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II Semester B.B.A. Degree Examination, September - 2021

BUSINESS ADMINISTRATION

Corporate Accounting

(CBCS New Scheme 2019-20 Onwards)

Paper : 3

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in **English** only.

SECTION - A

Answer any **FIVE** of the following. Each question carries **Two** Marks. **(5×2=10)**

1. a) What is an authorised capital?
- b) What do you mean by Financial Analysis?
- c) Give the meaning of issue of shares at a premium.
- d) Distinguish between calls in arrears and calls in advance.
- e) What is meant by Accounting Standards?
- f) What is an Annual Report?
- g) Expand GAAP and IASB.

SECTION - B

Answer any **THREE** of the following. Each question carries **Five** Marks. **(3×5=15)**

2. What are the advantages of IFRS?
3. The statements of Profit and Loss of a concern are given for the years ending 31st March 2018 and 31st March 2019. Rearrange the figures in a comparative form and study the profitability position of the concern.

Particulars	2017-18	2018-19
Revenue from Operations	7,85,000	9,00,000
Cost of Materials Consumed	4,25,000	4,65,000
Depreciation	25,000	35,000
Employee Benefit Expenses	70,000	72,000
Other Expenses	80,000	90,000
Finance Cost	25,000	30,000
Income Tax	70,000	80,000

[P.T.O.]



4. Under which heading and sub-headings will the following items appear in the Balance Sheet of a company as per Schedule III, Part-I of the Companies Act, 2013?
- Capital Reserves
 - Goodwill
 - Sundry Debtors
 - Sundry Creditors
 - Loose Tools
5. Ashok Limited issued 10,000 equity shares of Rs.10 each at a premium of 20% payable as follows:
- Rs.2 on application,
Rs.4 on allotment (including premium)
Rs.3 on first call and Rs.3 on final call. All the shares were subscribed.
- The company made all the calls and all the money due were duly received except the final call on 100 shares. Give the journal entries for the above transactions.

SECTION -C

Answer any **THREE** questions from the following. Each question carries **15** Marks.

(3×15=45)

6. The U.B. Company. Ltd., issued for public subscription 20,000 shares of Rs.10 each at a premium of Rs.2 per share payable as follows:
- on application Rs.2 per share
on allotment Rs.5 per share (including premium)
on first call Rs.2 per share on final call Rs.3 per share.
- Applications were received for 30,000 shares. 20,000 shares were allotted and excess application money received is returned.
- The company made all the calls and the money due were duly received except the final call on 1,000 shares. These shares were forfeited and later re-issued as fully paid at Rs.8 per share.
- Pass the Journal Entries.



7. From the following Trial Balance of Reddy Company Limited, prepare statement of financial position of the company as on 31st March, 2021 as per Companies act, 2013.

Particulars	Rs.	Particulars	Rs.
Land and Building	1,09,500	Capital:18,000 Equity	
Fixed Deposit accepted	15,000	Shares of Rs.10 each fully	1,80,000
Furniture	30,000	called up	
Goodwill	10,000	General Reserve	10,000
Stock	24,000	10% Debentures	35,000
Creditors for goods	9,000	Provision for Taxation	22,000
Plant and Equipment	25,000	Securities Premium	18,000
Cash	38,000	Profit and loss Balance(Cr.)	18,000
Bills Payable	7,000	Investment in Zee Ltd.	15,000
Bank	72,000	Shares	7,000
Calls-in-arrear at Rs.2 per share	2,000	Bill's Receivable	14,000
		Proposed Dividend	12,000
		Capital Reserve	9,000
		Debtors for goods	11,000
		Unclaimed Dividend	-
		Authorized capital-20,000	
		Equity Shares of Rs.10 each	
		Share forfeiture	500
Total	3,41,500	Total	3,41,500

8. Following are the Balance Sheets of Sheela Co. Ltd. and Shanthi Co. Ltd. as on 31st March 2021.

Particulars	Sheela Co. Ltd	Shanti Co. Ltd
EQUITY AND LIABILITIES:		
Equity Share Capital	4,00,000	6,00,000
12% Debentures	2,00,000	4,00,000
10% Preferential Share Capital	4,00,000	5,00,000
Reserves and Surplus	2,00,000	2,40,000
Proposed Dividend	1,00,000	1,40,000
Creditors	3,00,000	8,20,000
Bank Overdraft	-	1,00,000
Total	16,00,000	28,00,000



ASSETS:		
Land and Buildings	1,60,000	2,40,000
Plant and Machinery	6,00,000	12,50,000
Current Investments	2,00,000	4,00,000
Inventories	3,00,000	4,00,000
Debtors	2,00,000	2,40,000
Cash and Bank Balance	1,40,000	2,70,000
Total	16,00,000	28,00,000

Compare the financial position of two companies with the help of Common size Balance Sheet and comment.

9. a) State the ideal characteristic features of an Annual Report.
b) From the following balances of Kumar Co. Ltd., as on 31-3-2021
Prepare a Statement of Profit and Loss.

Particulars	Rs.
Interest on Debentures	32,400
Travelling Expenses	15,000
Delivery Van Expenses	5,000
Bad Debts	6,000
Discount	7,000
Purchases of Stock-in-trade	3,15,000
Opening Stock	75,000
Freight Charges	8,000
Depreciation	25,000
Insurance	5,000
Commission Received	7,500
Sales	6,50,000
Share Transfer Fees	5,000