2026

(FYUGP)

(2nd Semester)

COMMERCE

(MAJOR)

Paper : BC/C3

(Corporate Accounting)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

The figures in the margin indicate full marks for the questions.

1. *(a)* What do you mean by debenture? Write six distinctions between debenture and share. Explain the various methods of redemption of debentures. 3+6+6=15

Or

(b) Ready Food Ltd. issued for public subscription 50000 Equity Shares of ₹ 10 each at a premium of ₹ 2 per share payable as under :

On Application—₹ 2 per share

On Allotment—₹ 5 per share (including premium)

On 1st call—₹ 2 per share

On Final call—₹ 3 per share

Issue was fully subscribed by the public and allotment was made. Mr. Ramesh holding 1000 shares failed to pay allotment and calls money. Mr. Suresh holding 2000 shares could not pay two calls.

Pass Journal Entries in the books of the company and prepare Balance Sheet. 15

2. (a) Explain the need for valuation of shares. What are the different methods of valuation of shares? 7+8=15

Or

(b) Following is the Trial Balance of *ABC* Ltd. as on 31st March, 2025 :

Dr. Balances	₹	*Cr. Balances*	₹
Stock on 01.04.2024	75,000	Purchase Returns	10,000
		Sales	3,40,000
Purchases	2,45,000	Discount Received	3,000
Wages	30,000	Surplus A/c	15,000
Carriage	950	Share Capital	1,00,000
Furniture	17,000	Creditors	17,500
Salaries	7,500	General Reserve	15,500
Rent	4,000	Bills Payable	7,000
Sundry Expenses	16,950		
Debtors	27,500		
Plant & Machinery	29,000		
Cash at Bank	45,300		
Patents	4,800		
Bills Receivable	5,000		
	5,08,000		5,08,000

(Continued)

Prepare Statement of Profit and Loss for the year ending 31st March, 2025 and a Balance Sheet as on that date after considering the following adjustments : 7+8=15

(i) Stock as on 31st March, 2025 was ₹ 88,000

(ii) Provide for income tax @ 30% and corporate dividend tax @ 20·357%

(iii) Depreciate plant & machinery at 15%, furniture at 10% and patents at 5%

(iv) Outstanding rent amounted to ₹ 800 and outstanding salaries ₹ 900

(v) Provide ₹ 510 for doubtful debts

(Turn Over)

3. *(a)* Define purchase consideration. Explain the different methods of calculating purchase consideration. What points should be taken into account while calculating purchase consideration under net payment method? 2+8+5=15

Or

(b) Vasant Ltd. went into voluntary liquidation as on 31st December, 2025. The balances in its books on that date were as follows :

Liabilities	*Amount* ₹	*Assets*	*Amount* ₹
Share Capital : Authorized and Subscribed : 5000, 6% Cumulative Preference Shares of ₹100 each fully paid	5,00,000	Land and Building	2,50,000
2500 Equity Shares of ₹100 each, ₹75 paid	1,87,500	Plant & Machinery	6,25,000
7500 Equity Shares of ₹100 each, ₹60 paid	4,50,000	Patents	1,00,000
5% Mortgage Debentures	2,50,000	Stock	1,37,500
Interest Outstanding	12,500	Sundry Debtors	2,75,000
Creditors	3,62,500	Cash at Bank	75,000
		Surplus A/c (negative balance)	3,00,000
	17,62,500		17,62,500

The liquidator is entitled to commission of 3% on all assets realized except cash. Creditors include preferential creditors ₹37,500 and a loan for ₹1,25,000 secured by a mortgage on land and buildings. The preference dividends were in arrears for two years. The assets realized are as follows :

	₹
Land and Buildings	3,00,000
Plant and Machinery	5,00,000
Patents	75,000
Stock	1,50,000
Sundry Debtors	2,00,000

The expenses of liquidation amounted to ₹27,250.

Prepare the Liquidator's Statement of Account. 15

4. *(a)* What is Consolidated Financial Statement? Explain the provisions of Accounting Standard (AS)–21 relating to presentation and preparation of Consolidated Financial Statement. 3+12=15

Or

(*b*) Following are the Balance Sheets of *R* Ltd. and *S* Ltd. as on 31st December, 2017 :

Balance Sheets of R Ltd. and S Ltd. as on 31st December, 2017

Particulars	*R Ltd.* ₹	*S Ltd.* ₹
I. Equity and Liabilities :		
1. Shareholders' Funds :		
(*a*) Share Capital :		
Equity Shares of ₹ 10 each fully paid	4,00,000	1,50,000
(*b*) Reserve and Surplus :		
General Reserve	50,000	40,000
Profit & Loss A/c	30,000	25,000
2. Non-Current Liabilities :		
Long-term Borrowings :		
12% Debenture	2,00,000	—
3. Current Liabilities :		
Trade Payable	3,20,000	2,85,000
	10,00,000	5,00,000
II. Assets :		
1. Non-Current Assets :		
(*a*) Fixed Assets :		
Tangible—Land & Buildings	5,00,000	2,40,000
(*b*) Non-Current Investments :		
15000 Equity Shares in *S* Ltd. (01.01.2017)	2,00,000	—
2. Current Assets :		
Inventories (purchased from *R* Ltd.)	—	10,000
Other Current Assets	3,00,000	2,50,000
	10,00,000	5,00,000

Prepare a Consolidated Balance Sheet as on 31st December, 2017 assuming that—

(*i*) *S* Ltd.'s General Reserve and Profit & Loss A/c stood at ₹ 25,000 and ₹ 10,000 respectively on 1st January, 2017;

(*ii*) *R* Ltd. sells goods at a profit of 25% on cost. 15

5\. (*a*) What is a banking company? What are the different classifications of bank advances? Explain the provisions relating to bank advances. 3+6+6=15

Or

(b) From the following, prepare the Profit & Loss A/c of *ABC* Bank Ltd. for the year ended as on 31st March, 2018 : 15

	₹
Interest on Loan	2,59,000
Interest on Fixed Deposits	2,75,000
Rebate on Bills Discounted required	49,000
Commission	8,200
Establishment	54,000
Discount on Bills Discounted (Net)	1,95,000
Interest on Cash Credit	2,23,000
Interest on Current A/c	42,000
Rent and Taxes	18,000
Interest on Overdraft	1,54,000
Director's Fees	3,000
Auditor's Fees	1,200
Postage and Telegram	1,400
Printing and Stationery	2,900
Sundry Expenses	1,700

Adjustments :

(i) Bad debts to be written off amounted to ₹ 40,000

(ii) Provisions for taxation may be made @ 55%

(iii) Balance of profit from last year was ₹ 1,20,000

(iv) Transfer 25% of profit to statutory reserve and provide ₹ 20,000 for dividends

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