

2025

CORPORATE ACCOUNTING — HONOURS

Paper : DSCC-9

Full Marks : 75

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

Answer **any three** questions.

1. H Ltd. bought and sold 6% Stock as follows, interest being payable on March 31st and September 30th each year :

01.04.2024	Bought ₹ 24,000 @ 90.875% ex-interest
15.07.2024	Sold ₹ 10,000 @ 92.625% cum-interest
01.09.2024	Bought ₹ 6,000 @ 91.375% ex-interest
01.10.2024	Sold ₹ 4,000 @ 93.125% ex-interest

Prepare Investment A/c for the year ended 31.03.2025 assuming brokerage at 0.125% in each case (Apply FIFO Method). 10

2. Adidas Ltd. decided to issue 10,50,000 equity shares of ₹ 10 each to the public. Priti, Poulami and Piyashi have agreed to underwrite the public issue in 2 : 2 : 1 ratio and have also committed to firm underwriting of 25,000, 20,000 and 15,000 shares, respectively.

Applications were received for 10,10,000 shares and the details are as follows :

Priti :	5,80,000 shares (including firm applications)
Poulami :	2,20,000 shares (including firm applications)
Piyashi :	1,70,000 shares (including firm applications)
Unmarked application :	40,000 shares.

Calculate each underwriter's total liability (in number of shares), assuming the underwriting agreement provides no relief for 'firm applications'. 10

3. E Ltd. has its share capital divided into equity shares of ₹ 10 each. On 01.01.2025 it granted 5,000 employees stock option at ₹ 30 per share, when the market price was ₹ 50 per share. The options were to be exercised between 15th March, 2025 and 31st March, 2025. The employees exercised their options for 3,600 shares only and the remaining options were lapsed. The company closes its books on 31st March every year. Show necessary journal entries to record the above transactions. 10

Please Turn Over

(4164)

4. The following particulars of G Ltd. as on 31.03.2025 are available :
- 1,00,000 Equity Shares of ₹ 100 each, fully paid ₹ 1,00,00,000
 - 10,000 12% Preference shares of ₹ 100 each, fully paid ₹ 10,00,000
 - Securities Premium ₹ 11,50,000
 - Profit and Loss Account ₹ 33,58,000 (cr.)
 - General Reserve ₹ 18,85,000
 - Current liabilities : Creditors ₹ 31,20,000, Bills Payable ₹ 10,60,000
 - Average Profit after Tax (for last three years) ₹ 5,85,000
 - 20% of profit after tax is transferred to General Reserve every year
 - Fictitious Assets ₹ 80,000
 - Normal Rate of Return is 10%.

Considering the above information, compute the value of equity share by : Assets Backing method and Yield method (Ignore goodwill). 5+5

5. The following is the Balance Sheet of M Ltd. as on 31.03.2025 :

Particulars	Amount (₹)
I. Equity and Liabilities :	
1. Shareholders' Fund :	
(a) Equity shares of ₹ 10 each	9,00,000
6% Preference shares of ₹ 100 each	3,00,000
(b) Reserve & Surplus	
Securities Premium	2,50,000
General Reserve	5,00,000
Balance in Statement of Profit and Loss	3,00,000
2. Non-current Liabilities :	
10% Debentures (unsecured)	18,00,000
Bank Loan (secured)	6,00,000
3. Current Liabilities	2,50,000
	49,00,000
II. Assets :	
1. Non-current Assets :	
(a) Property, Plant and Equipment	23,00,000
Non-current Investment	4,00,000
(b) Current Assets	22,00,000
	49,00,000

On April 2025, the company bought back its equity shares to the extent permitted by the Companies Act, 2013, at the current market price of ₹ 30 per share.

Show the necessary journal entries (narration not required).

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(3)

C(5th Sm.)-Corporate Accounting-H/DSCC-9/CCF

Group - BAnswer *question no. 6* and *any two* from the rest.

6. The following balances have been extracted from the books of Amul Ltd. as on 31.03.2025 :

Debit balances	₹	Credit balances	₹
Stock-in-trade (01.04.2024)	3,35,000	Equity share capital (₹ 100 per share)	16,00,000
Purchases	11,50,000	Securities premium	40,000
Buildings	7,00,000	General reserve	1,35,000
Motor car	35,000	Sales	20,18,000
Establishment expenses	2,40,000	Interest on investment	8,000
Commission	54,000	Balance in statement of Profit & Loss (on 01.04.2024)	1,10,000
Wages and Salaries	45,000	Unclaimed dividend	2,000
Freight	41,000	Discount received	5,000
Interim dividend	1,41,600	Sundry creditors	31,600
Payment to auditors	4,000	Provision for taxation (for 2023-24)	1,00,000
Security deposits	10,000	8% Redeemable Preference Shares	40,000
Income tax paid (for 2023-24)	90,000		
Land (Cost)	2,00,000		
Furniture	20,000		
Directors' fees	2,000		
Rent, Taxes and Insurance	12,000		
Sundry expenses	60,000		
Sundry debtors	80,000		
Cash-at-bank	3,05,000		
Investments (Long-term)	3,00,000		
Advance payment of tax (for 2024-25)	2,65,000		
	40,89,600		40,89,600

Additional Information :

- (a) Stock-in-trade on March 31, 2025 ₹ 3,53,000.
- (b) Tax liability for 2023-24 was settled at ₹ 1,00,000.
- (c) Make a provision for income tax at 30% and a surcharge of 10% for the financial year 2024-25.
- (d) Directors have recommended a dividend of ₹ 5 on each equity share for the financial year 2024-25 (excluding interim dividend).
- (e) Depreciation to be provided ₹ 15,000 on Buildings, ₹ 10,000 on Furniture and ₹ 35,000 on Motor car.
- You are required to prepare the Statement of Profit and Loss for the year ended 31.03.2025 and Balance Sheet as on that date, along with the notes to accounts on Tangible Assets and Reserve and Surplus only.

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7. A Ltd. issued 1,00,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as : ₹ 3 per share on application, ₹ 5 (including premium) on allotment, ₹ 2 per share on first call and ₹ 2 per share on final call. Applications were received for 1,50,000 shares. All applications were accepted and allotment was made on pro-rata basis. Anjali who was allotted 1,000 shares failed to pay the allotment money. On her subsequent failure to pay the first call money, her shares were forfeited. Arpita who had applied for 750 shares failed to pay both the calls. Her shares were also forfeited. All the shares of Anjali and 200 shares of Arpita were reissued as fully paid up at ₹ 8 per share. Make necessary journal entries in the books of the company to record the above transactions (narration not required). 15

8. The following is the Balance Sheet extracts of C Ltd. :

Equities & Liabilities :		₹
10,000 Equity Shares (₹ 10 each, fully paid)		1,00,000
1,000 Preference Shares (₹ 100 each)	1,00,000	
Less : Calls-in-Arrear on 100 shares	2,000	98,000
Securities Premium Account		12,000
Reserve Fund		29,600
Profit & Loss Account (cr.)		10,000
Assets :		
Property, Plant and Equipment (PPE)		1,30,000
Cash & Bank Balance		40,600

The preference shares were redeemed on the following basis :

- (a) PPE costing ₹ 20,000 were sold for ₹ 18,000.
- (b) It was decided to redeem preference shares at a premium of 20%, by issue of sufficient number of equity shares of ₹ 10 each subject to leaving a balance of ₹ 10,000 in Reserve Fund.
- (c) All payments were made except to holders of 50 shares who cannot be traced.

You are required to pass necessary journal entries in the books of the company. 15

9. On April 01, 2022 I Ltd. issued 15% debentures of ₹ 10,00,000 at par. The debentures were redeemable at par after three years from the date of issue. A sinking fund was set up to raise funds for redemption of debentures. The amount for the purpose was invested in 6% Government securities of ₹ 100 each available at par. The sinking fund table shows that if investments earn 6% per annum, to get ₹ 1 at the end of 3 years, one has to invest ₹ 0.31411 every year together with interest that will be earned. On March 31, 2025, all the Government securities were sold at a total loss of ₹ 6,000 and the debentures were redeemed at par.

Prepare Debentures Account, Sinking Fund Account, Sinking Fund Investment Account and Interest on Sinking Fund Investment Account. Company closes its books of accounts every year on March 31.

3+4+4+4