



III Semester B.Com. Examination, February/March 2024  
(NEP) (F+R)  
COMMERCE

3.1 : Corporate Accounting

Time : 2½ Hours

Max. Marks : 60

**Instruction** : Answers should be either in **Kannada** or in **English**.

SECTION – A

1. Answer **any six** sub-questions. **Each** sub-question carries **2** marks. **(6×2=12)**
- a) State any two features of brand.
  - b) Who is an underwriter ?
  - c) What do you mean by normal rate of return ?
  - d) What is tax deducted at source ?
  - e) State any four reasons for valuation of shares .
  - f) Pass the journal entry for issue of equity shares at premium.
  - g) State any 4 factors determining the value of Goodwill.
  - h) Give the meaning of marked and unmarked applications.

SECTION – B

Answer **any three** questions. **Each** question carries **4** marks. **(3×4=12)**

2. Following are the particulars of Akash Ltd.

Fixed assets – ₹ 8,00,000, current assets – ₹ 5,00,000

Bank overdraft – ₹ 80,000, Goodwill – ₹ 2,00,000

Other current liabilities – ₹ 1,20,000

1,00,000 Eq. shares of ₹ 10 each ₹ 10,00,000

6% debentures ₹ 4,00,000.

The market value of fixed assets is 12% more than the book value and that of current assets is 5% less than book value. There is an unrecorded liability of ₹ 15,000.

Ascertain the value of Eq. shares by net asset method.



3. Ganesh Co Ltd. issued 50,000 shares of ₹ 10 each. The whole issue was fully under written by A B C and D as follows  
A – 20,000 shares, B – 15,000 shares, C – 5,000 shares and D – 10,000 shares.  
The company received applications for 45,000 shares of which marked applications were as follows A – 22,000 shares, B – 11,000 shares, C – 1,000 shares and D – 9,000 shares.  
Determine the liability of each underwriter.

4. Nagaraj Ltd. agreed to purchase the business of Manjunath for this purpose, Goodwill is to be valued at three years purchase of the average profits of last 4 years adjusted profits.

The profits for the year ending 31-3-2018 to 2021 were ₹ 25,000, ₹ 32,000, ₹ 30,000 and ₹ 26,000 respectively.

The following additional information is available

- a) On 1-9-2020, a major repair expenditure on plant and machinery of ₹ 10,000 was charged to revenue account. Now it is to be capitalised subject to 10% p.a. depreciation on diminishing balance method for valuation of Goodwill.
  - b) The closing stock the year ended 31-3-2019 was overvalued by ₹ 5,000.
  - c) In order to cover cost of management an annual charge of ₹ 6,000 is made for Goodwill purpose. Calculate the value of Goodwill.
5. How do you show the following items while prepare company final accounts ?
- a) Goods destroyed by fire
  - b) Calls in arrears
  - c) Discount on issue of shares
  - d) Interim dividend.
6. Ashok limited issued 20,000 equity shares of ₹ 10 each pay as follows :  
₹ 2 on application, ₹ 4 on allotment  
₹ 3 on first call and balance in final call.  
All the shares were duly subscribed for the amount were duly received.  
Give journal entries in the books of the company only for first call and final calls due and received.





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