Roll No. | | | | | | | | | | | | | **Total No. of Pages : 04**

Total No. of Questions : 09

BBA (Sem.–5)

CORPORATE ACCOUNTING

Subject Code : BBA-521-18

M.Code : 78196

Date of Examination : 28-11-2025

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION - A

1. Write short notes on the following :

a) Book Building.

b) ABC Ltd. Offers to its shareholders the right to buy 3 shares at Rs.33 each for every 7 shares held. The current market price of its share is Rs.80. Calculate the value of Right.

c) XYZ Ltd. issued a Debenture at Rs.90, repayable at Rs. 105. Pass the Journal Entry at the time of issue and redemption of Debenture.

d) Syndicate Underwriting.

e) Capital Redemption Reserve.

f) Profit prior to incorporation.

g) Subsidiary Company.

h) Minority Interest.

i) Corporate Financial Reporting.

j) Sweat Equity Shares.

SECTION – B

UNIT - I

2. On Oct. 1, 2025 Saiyara Ltd. offered to public 1,00,000 equity shares of Rs.100 each at a premium of Rs. 10 per share. The amount on shares was payable as :

   a) Rs. 25 on application

   b) Rs. 40 (including Rs. 10 premium) on allotment

   c) Rs. 45 on first and final call (three months after the allotment).

   Applications were received for 1,50,000 shares. Shares were allotted to the applications on pro-rata basis. Aneet who was holding 1,000 shares did not pay the first call was made and were re-issued to Ahaan as fully paid up at Rs. 80 per share.

   Give the necessary journal entries in the books of the company.

3. Explain the various ways in which a company can capitalize its profits. Also, discuss in brief the legal provisions regarding issue of Bonus Shares.

UNIT - II

4. On July 1, 2023, a company issued 4,000, 6% Debentures of Rs. 100 each. The Interest on the debentures is payable on June 30 and December 31 each year. As per the terms of the issue, the company may buy its own debentures from the market for the cancellation, if it wants to do so. The company made the following purchases in the open market :

   On May 31, 2024: 400 Debentures @Rs. 98 Ex-Interest.

   On September 30, 2025: 200 Debentures @Rs. 97 Cum-Interest.

   The Debentures bought on May 31, 2024 were cancelled on December 2025. All the payments were made on due dates.

   Record the above transactions by passing relevant Journal Entries and also, show the relevant items in the Balance Sheet on December 31, 2025.

5. What do you mean by underwriting of shares? Discuss in brief various types of underwriting. Support your answer with concrete examples.

UNIT - III

6. EFG Limited was incorporated on July 1, 2024 to acquired running business of HIJ & Co. with effect from April 1, 2024. During the year 2024 - 25, the total sales were Rs. 37, 50, 000. Rate of Gross Profit on Sales is 10% on Sales. The sales per month in the first half year were half of what they were in the later half year. The expenses charged to Profit and Loss Account include :

   a) Donation to Political Party Rs. 10,000

   b) Interest to vendors upto August 31, 2024 Rs. 10,000

   c) Depreciation Rs. 2,46,000.

   d) Directors fees Rs. 1,00,000.

   e) Preliminary expenses Rs. 24,000.

   f) Office expenses Rs. 1,56, 000.

   g) Selling expenses Rs.72,000.

   h) Audit Fees(Statutory Audit of a Company) Rs. 40,000.

   i) Formation Expenses Rs. 20,000.

   j) General Expenses Rs. 24,000.

   Please ascertain pre-incorporation and post-incorporation profit for the year ended 31 March, 2025 and also, compute the amount to be transferred to Capital Reserve Account.

7. Prepare in a summarized form the Balance Sheet of a company as per Companies Act, 2013 with imaginary figures.

UNIT - IV

8. What are the major requirements regarding Corporate Financial Reporting in India? Also, discuss in brief the recent trends in Corporate Financial Reporting.

9. From the following information, prepare the consolidated balance sheet as at March 31, 2025.

Balance sheet as on March 31, 2025

PARTICULARS	H Ltd. (Rs.) Holding Co.	S Ltd. (Rs.) Subsidiary Co.
I. Equities and Liabilities		
Share Capital(Share of Rs. 100 each)	32, 00, 000	8, 00, 000
General Reserve	6, 00, 000	2, 80, 000
Profit and Loss Account	3, 60, 000	2, 20, 000
Creditors	4, 80, 000	3, 20, 000
TOTAL	46, 40, 000	16, 20, 000
II. Assets		
Fixed Assets	22, 00, 000	4, 00, 000
75% Share of S Ltd at Cost	11, 20, 000	-----
Stock	4, 20, 000	7, 08, 000
Other Current Assets	9, 00, 000	5, 12, 000
TOTAL	46, 40, 000	16, 20, 000

While preparing the consolidated balance sheet as at 31st March 2025, please keep in mind the following adjustments :

a) H Ltd. acquired the shares on 31st July.

b) S Ltd. earned a profit of Rs.1,80,000 for the year ended 31st March, 2025.

c) In January, 2025, S Ltd sold to H Ltd goods costing Rs. 60,000 for Rs. 80,000. On 31st March, 2025, the halves of the goods were lying as unsold in the godown of H Ltd.

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.