S.No. 8032

24DPCM05

(For the candidates admitted from 2024-25 onwards)

M.Com. DEGREE EXAMINATION, AUGUST 2025.

Second Semester

CORPORATE ACCOUNTING

Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Attempt ALL the questions.

1. What is a sweat equity share?
2. What do you mean by book building?
3. What are the final accounts preparation requirements for life insurance companies?
4. What is the difference between fire insurance and marine insurance?
5. What is consolidated financial statement reporting?
6. How cost of control is computed in holding company accounts?
7. What is current purchasing power method?
8. What are the characteristic features of Human Resources Accounting?
9. What is dealt with AS-1?
10. What is Corporate Social Responsibility?

PART B — (3 × 5 = 15 marks)

Attempt any THREE of the questions.

11. Pass journal entries for the forfeiture and reissue (at discount) of equity shares issued earlier on premium or discount failed to pay allotment money and forfeited after final call. Explain the same.

12. The Life Assurance Fund of an insurance company on 31.03.2024 showed a balance of Rs. 87,76,500. It was later found that the following were not taken into consideration:
    (a) Dividend from investment - 4, 80,000
    (b) Income tax on the above - 48,000
    (c) Bonus in reduction of premium - 8,77,500
    (d) Claims covered under reinsurance - 4,23,000
    (e) Claims intimated but not accepted by the company — 62,000.

    Compute the correct balance of Life Assurance Fund.

13. Balance sheet of S Ltd. as on 31st March 2025 (Liabilities only)

	Rs.
Share capital 40,000 Equity shares of Rs. 10/- each	4,00,000
Reserves and surpluses	2,50,000
Secured loan	2,50,000
Other Liabilities	1,00,000
	10,00,000

On the above date H Ltd. acquired 30,000 Equity shares in S Ltd. on the above date for Rs. 7,50,000 fixed assets of S Ltd. were appreciated by Rs. 1,50,000. Find out Cost of control / Goodwill.

14. What do you mean by fraud auditing?

15. Pass the Accounting entries of the CSR Expenditure.

PART C — ($5 \times 8 = 40$ marks)

Attempt ALL the questions using either/or option.

16. (a) Bajwal Ltd. invited application for 15,000 shares of Rs. 10/- each. The share amount was payable as follows – On Application – Rs.4/- On Allotment - Rs.4; – and On First and Final Call – Rs.4/- Application was received for 20,000 shares. Applications for 2,000 shares were rejected and allotment was made among the remaining applicants proportionately. A person holding 200 shares did not pay the allotment and call moneys. The directors decided to forfeit these shares. They were reissued as fully paid at Rs.9/- per share. Give journal entries in the books of Bajwal Ltd.

Or

(b) The under noted balances were extracted from Balance Sheet of Zee Ltd

Particulars	Rs.
20,000 Equity Shares of Rs.10 each	2,00,000
Free Reserve	1,50,000
Securities Premium Account	1,00,000
10% Debentures	1,00,000

The directors of Zee Ltd. have decided to buy back Equity Shares. Conditions as per the Companies Act have been complied with. Ascertain the possible buy back of shares of Equity Shares.

(a) Buy back maximum Equity Shares at par.

(b) Buy back 4,000 Equity Shares at best possible price.

(c) Buy back maximum Equity Shares at Rs. 40/- per share.

(d) Buy back maximum Equity Shares @ 10% Discount.

(e) Maximum no. of Equity Share at Best possible price.

17. (a) From the following balances of the Axis Life assurance Company Ltd., prepare its revenue account and balance sheet for the year ended 31st March 2016.

Particulars	Rs.
Life Assurance Fund at the beginning of the year	2,60,000
Claims admitted but not paid	780
Interest, dividend and rent received	9,100
Loans on life interest	26,000
Loans of mortgages	46,800
Claims by death	7,800
Claims by maturity	13,000
Single premium	10,400
Government securities	1,30,000
Surrenders	2,600
Investment fluctuation account	1,300
Considerations for annuities granted	6,500
Deprecation on furniture	390
Provision for depreciation	390
Loans on policies	39,000
Amount due from other insurance company	468
Annuities due	260
Free hold property and furniture	13,390
Salaries	390
Directors fees	39
Promotional expenses	182
Audit fees	195
Law charges	130
Postage and stationary	1,404
Office expenses	4,680
Bank balance	21,892
Commission on Re-insurance accepted	3,120
Outstanding premium	3,120
Interest accrued on investment but not due	390
Renewal premiums	26,000

Or

(b) Jetty Marine Insurance Co. Ltd provides following information's on 31st March 2006 and 31st March 2007. You are required to prepare Revenue account for two years.

Details	2006 Rs.	2007 Rs.
Commission on Direct business	350,000	3,77,500
On re-insurance ceded	3,52,000	2,64,000
On re-insurance accepted	2,47,500	2,75,000
Interest and bank changes	1,10,000	1,14,000
Repairs and maintenance	83,000	92,000
Depreciation on office buildings	40,000	50,000
Audit fees	35,000	50,000
Printing charges	72,000	89,000
Employees salary	13,75,000	14,85,000
Miscellaneous expenses	66,000	63,000
Managers salary	55,000	65,000
Claims paid	8,38,750	15,64,750
Premium from direct business	65,00,000	66,00,000
Re-insurance accepted	10,00,000	10,80,000
Re-insurance ceded	11,61,000	12,10,000

Adjustments :

(i) Claims outstanding as on:

31-3-05 Rs. 3,76,750

31-3-06 Rs. 4,92,250

31-3-07 Rs. 6,11,050

(ii) Interest, dividend and rent accrued Rs. 3,30,000 for the year ended on 31-3-07

(iii) Reserve for unexpired risks as on 31st March 2005 was Rs. 55,20,000 and additional reserve was Rs. 6,62,400.The company's policy is to provide reserve for unexpired risk at @ 100% and addition reserves @ 12% of net premium received.

18. (a) Balance sheets as on 31st March, 2023.

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Equity Shares of			Fixed Assets	3,00,000	1,00,000
Rs. 10 each fully paid	5,00,000	2,00,000	60% shares in		
General Reserve	1,00,000	50,000	S Ltd. at cost	1,62,400	–
Profit and loss Account	60,000	35,000	Current Assets	2,77,600	2,39,000
Creditors	80,000	60,000	Preliminary Expenses	–	6,000
	7,40,000	3,45,000		7,40,000	3,45,000

H Ltd. acquired the share on 1st April 2022 on which date General Reserve and profit and loss Account of S Ltd. showed balances of Rs. 40,000 and Rs. 8,000 respectively. No part of preliminary expenses was written off during the year ending 31st March, 2023. Prepare the consolidated balance sheet of H Ltd. and its subsidiary S Ltd. as on 31st March 2023.

Or

(b) H Ltd. acquired 12,000 Equity shares of Rs. 10 each in S Ltd. on December 31, 2010. The summarised Balance sheets of H Ltd. and S Ltd. as on that date were.

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Capital a/c Authorized			Fixed Assets	5,42,000	2,56,000
Issue and paid up	8,00,000	2,40,000	Investment in S Ltd. at cost		
12,000 shares of			12,000 share of Rs. 10 each	2,00,000	–
Rs. 5 each	6,00,000		Stock in hand	60,000	20,000
16,000 shares of Rs. 10 each		1,60,000	Bills receivable		
Capital Reserve		68,000	(including Rs. 2,000 from S Ltd.)	4,000	
General Reserve	40,000	20,000	Debtors and balance at bank	4,000	34,000
Profit and loss a/c	1,00,000	20,000			
Bills payable (including					
Rs. 2,000 to H. Ltd.)		7,000			
Creditors	70,000	35,000			
	8,10,000	3,10,000		8,10,000	3,10,000

Note : (Re Balance sheet of H Ltd.) contingent liability for bills discounted Rs. 2,400.

On 31.12 10 subsidiary Ltd. utilized part of its capital Reserve to make a bonus issue of every Four shares held, effect of bonus not given in above balance sheet. You are required to prepare the consolidated balance sheet as on 31.12.10 and show there in how your figures are made up.

19. (a) What are the importance of Human Resources Accounting?

Or

(b) What are the main objectives of Human Resources Accounting?

20. (a) Define the things related to AS 10.

Or

(b) Explain AS-20.