

Reg. No. : .....

Name : .....

Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,  
November 2025

Paper I — CORPORATE ACCOUNTING

(2020 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

PART – A

Answer **any five** of the following. Each question carries **2** marks.

1. Mention any two objectives of accounting standards.
2. What is meant by convergence with IFRS?
3. Define profits prior to incorporation.
4. Mention any two statutory books maintained by a companies.
5. What is meant by revenue account in insurance?
6. Define internal reconstruction.
7. What is the minimum CRAR (Capital to Risk-Weighted Assets Ratio) as per RBI norms for Indian banks?

(5 × 2 = 10 Marks)

PART – B

Answer **any four** questions. Each question carries **4** marks.

8. What are the components of a company's balance sheet as per revised Schedule III?
9. From the following, prepare a vertical format of Profit and Loss Account:
  - Revenue from operations: Rs.6,00,000
  - Cost of goods sold: Rs.3,50,000
  - Administrative expenses: Rs.75,000
  - Selling expenses: Rs.50,000
  - Income tax: Rs.25,000.

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10. Explain Capital reduction Account. Also pass journal entries.
11. A company was incorporated on 1<sup>st</sup> August 2024. Sales from April to July were Rs.1,20,000 and from August to March were Rs.3,60,000. Total profit for the year is 1,00,000. Calculate the profit prior to incorporation.
12. A company reduced its share capital from Rs.10,00,000 (1,00,000 shares of Rs.10 each) to Rs.5,00,000 (1,00,000 shares of Rs.5 each). Pass the necessary journal entry and show the effect on the balance sheet.

(4 × 4 = 16 Marks)

PART – C

Answer **any four** of the following. Each question carries **6** marks.

13. Explain the difference between Basic EPS and Diluted EPS.
14. On 31<sup>st</sup> March 2025, a bank has discounted the following bills

Date of discount	Amount (Rs.)	Term (months)	Rate (%)
10 Jan 2025	70,000	5	10%
5 March 2025	90,000	4	11%

Calculate the rebate on bills discounted and also pass necessary journal entries.

15. From the books of Federal Bank Ltd. prepare the Profit and Loss Account for the year ended 31<sup>st</sup> March 2025:

Interest on loans and advances: Rs.18,00,000

Interest on investments: Rs.4,00,000

Interest paid on deposits: Rs.12,00,000

Discount earned: Rs.1,00,000

Salaries and allowances: Rs.2,50,000

Rent and taxes: Rs.70,000

Depreciation: Rs.30,000

Provision for doubtful debts; Rs.1,20,000

Income tax: Rs.60,000.

16. Explain different types of insurance fund.
17. The Life Assurance Fund as per books on 31<sup>st</sup> March 2025 is Rs.10,00,000. The following items are to be adjusted before finalizing the fund balance: Claims admitted but not paid-Rs.50,000; Bonus in reduction of premium Rs.20,000; Interest accrued on investments - Rs.30,000; Outstanding premium-Rs.40,000; Claims recovered under reinsurance-Rs.10,000; management expenses due-Rs.5,000. Ascertain the correct balance of fund.

(4 × 6 = 24 Marks)

PART – D

Answer any three questions. Each question carries 10 marks.

18. The trial balance of XY Ltd is given below

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		5,00,000
Sales		7,00,000
Purchases	4,00,000	
Wages	30,000	
Salaries	25,000	
Rent and taxes	15,000	
Carriage outwards	5,000	
Plant and machinery	2,00,000	
Furniture	50,000	
Sundry debtors	60,000	
Sundry creditors		50,000
Opening stock	70,000	
Cash in hand	20,000	
<b>Total</b>	<b>8,75,000</b>	<b>12,50,000</b>

Adjustments:

- Closing Stock; Rs.90,000
  - Outstanding Salaries: Rs.5,000
  - Prepaid Rent: Rs.2,000
  - Depreciation on;
    - o Plant and Machinery @ 10%
    - o Furniture @ 5%
  - Provision for doubtful debts @ 5% on Debtors
- Prepare final accounts.

19. The Balance Sheet of ABC Ltd. as on 31<sup>st</sup> March, 2025 is as follows;

Liabilities	Rs.	Assets	Rs.
Share capital		Good will	1,00,000
Rs.10/share	5,00,000	Plant and machinery	2,00,000
(50,000 shares fully paid)		Debtors	80,000
Creditors	1,00,000	Cash	20,000
		Profit and Loss A/c (Dr.)	2,00,000
<b>Total</b>	<b>6,00,000</b>	<b>Total</b>	<b>6,00,000</b>

You are required to prepare revised balance sheet after reconstruction by considering the following facts

- (a) Shareholders agree to reduce the face value of shares from Rs.10 to Rs.5 (i.e., capital reduction by 50%).
  - (b) Goodwill and Profit and Loss (Dr.) balance to be completely written off.
  - (c) Plant and Machinery to be revalued down by Rs.50,000.
  - (d) No change in creditors or other assets.
20. Explain the final accounts with proforma of Banking Companies (as per banking regulation act, 1949) showing imaginary figures.
21. Explain the relevance of accounting standards in preparation and presentation of final accounts.

(3 × 10 = 30 Marks)