QP Code: U25C062

Reg. No : .....
Name : .....

ST MARY'S COLLEGE (AUTONOMOUS), THRISSUR-20

III SEMESTER (FYUGP) DEGREE EXAMINATIONS, OCTOBER 2025
B. Com.
COM3CJ202 : CORPORATE ACCOUNTING
2024 Admission Onwards
(Credits: 4)

Time: 2 Hours **Maximum Marks: 70**

Section A

*Answer **all**. Each question carries **3** Marks.* ***(Ceiling: 24 Marks)***

1. How does a rebate on bills discounted benefit the parties involved?
2. A bank's capital adequacy ratio is 12%. What does this indicate?
3. What do you mean by the term 'share'?
4. Define Debentures.
5. Can the debentures be issued for consideration other than cash? Give the journal entry.
6. What do you mean by bargain purchase?
7. Analyse the disadvantages of issuing bonus shares.
8. How would you analyse the direct holding under different group structures?
9. Discuss the term 'Non-banking assets'.
10. When is a claim typically made in life insurance?

Section B

*Answer **all**. Each question carries **6** Marks.* ***(Ceiling: 36 Marks)***

11. Determine the conditions to be fulfilled under the Companies Act for the redemption of preference shares.
12. A Ltd. Company issued 10,000 shares of ₹10 each. Payment on these shares is to be made in the following manner:
    On application ₹4 (1st Jan, 2024)
    On allotment ₹4 (1st March, 2024)
    On final call ₹2 (1st April, 2024)
    X, to whom 500 shares were allotted paid the full amount on application and Y, to whom 100 shares were allotted paid the final call money on allotment. Pass Journal entries.

Turn Over

13. A company is planning to raise funds by making right issue of equity shares to finance its expansion. The existing equity share capital of the company is ₹50,00,000. The market value of its share is ₹42. The company offers to its shareholders the right to buy 2 shares @ ₹11 each for every 5 shares held. You are required to calculate : (a) theoretical market price after rights issue, (b) the value of rights, and (c) percentage increase in share capital.

14. What are the different types of life insurance?

15. The balance sheets of H Ltd. and its subsidiary S Ltd as on 31-3-2026 are as follows:

Assets	**H Ltd**	**S Ltd**
Investment in S Ltd at cost (7500 equity shares of S Ltd at 10 each)	₹75000	
Current Assets	₹485000	₹300000
Total	**₹560000**	**₹300000**
Equity and Liabilities		
Equity		
Equity share capital(Fully paid equity shares of ₹10 each)	₹2,50,000	₹1,00,000
Capital reserve (1-04-2025)	₹50000	₹20000
General Reserve (1-04-2025)	₹100000	₹30000
Surplus	₹40000	₹10000
Current Liabilities	₹1,20,000	₹140,000
Total	**₹560000**	**₹300000**

Shares of S Ltd. are acquired by H Ltd. on 1st January, 2026. Find out the amount of non-controlling interest and pre-acquisition profit.

16. A life insurance company gets its valuation made once in every two years. Its life assurance fund on 31-03-2017 amounted to ₹60,00,000 before providing ₹60,000 dividend to shareholders for the year 2016-17. Its actuarial valuation disclosed a net liability of ₹52,72,000 on 31-03-2017. An interim bonus of ₹3,50,000 was paid to policyholders during the last two years. Prepare a statement showing the amount now available as bonus to policyholders.

17. Write a note on (a) Standard assets, (b) Substandard assets, (c) Doubtful assets, and (d) Loss assets.

18. What is capital redemption reserve account? What is the logic of creation of capital redemption reserve?

Section C

*Answer **any one**. Each question carries **10** Marks.* ***(1x10=10marks)***

19. A company invited applications for 50,000 equity shares of ₹ 10 each on the following terms:

on application	₹ 3
on allotment	₹ 2
on first and final call	₹ 5

Applications were received for 1,10,000 shares. It was decided to
(i) refuse the allotment to the applicants for 10,000 shares.
(ii) allot 50% to Mr. X who has applied for 20,000 shares.
(iii) allot in full to Mr. Y who has applied for 10,000 shares.
(iv) allot the balance of the available shares by way of pro-rata among the other applicants.

Excess application money is utilised in part payment of allotment and final call. Give journal entries to record the above transactions on the assumption that the entire sum due on allotment and call is received in full.

20. The balance sheet of H Ltd and its subsidiary S ltd as on 31-3-2026 are as follows:

Assets	**H Ltd**	**S Ltd**
Fixed Assets	₹540000	₹60000
Investment in S ltd at cost (5000 shares)	₹80000	
Current Assets	₹120000	₹30000
Total	**₹740000**	**₹90000**
Equity And liabilities		
Equity Share Capital (Fully paid shares of Rs. 10 each)	₹500000	₹50000
General Reserve	₹100000	
Surplus	₹50000	₹100000
Trade payables	₹90000	₹25000
Total	**₹740000**	**₹90000**

Additional information: H Ltd. acquired the shares of S ltd on 31-3-2026. Prepare a consolidated balance sheet.

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