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DCBB214-DCBA214

Reg. No. | | | | | | | | |

II Semester B.B.A. Degree Examination, June/July - 2026

BUSINESS ADMINISTRATION

Corporate Accounting

(SEP Scheme Freshers + Repeaters)

Paper - 2.4

Time : 3 Hours **Maximum Marks : 80**

Instructions to Candidates : *Answers should be written completely in English only.*

SECTION - A

Answer any Five of the following sub-questions. Each sub-question carries Two marks. (5×2=10)

1. a) What is forfeiture of shares?

   b) What is underwriting of shares?

   c) Give the meaning of Firm underwriting.

   d) What do you mean by Pre-incorporation period?

   e) What is time Ratio?

   f) What are current assets?

   g) Give the meaning of corporate financial reporting.

   h) Mention two objectives of corporate financial reporting.

SECTION - B

Answer any Four of the following questions. Each question carries Five marks. (4×5=20)

2. Bharat Co, Ltd., issued 1000 equity shares of Rs. 100 each. All the money due was received except the final call on 50 shares at Rs. 30 per share from Ram. The directors forfeited these shares and then reissued the same as fully paid at Rs. 70 per share. Write up the journal entries for forfeited and reissue.

3. Shiva Ltd., issued 50,000 shares of Rs. 10 each. Mr. Shankar under writes 40,000 shares, of the issue. The company received applications for 37,500 of which 30,000 applications bear the rubber stamp of Mr. Shankar.

   Determine the liability of the under writer.

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4. Shambu Ltd., had purchased a business on 1-4-2025. The company received its certificate of incorporation on 1-9-2025. The average monthly sales for the period before incorporation was 25% more than the average monthly sales for the period after incorporation. Total sales during the year was Rs. 18,00,000. Ascertain

   a) Time Ratio and

   b) Sales Ratio

5. Under what heading the following items appear in the Balance sheet of a company as per schedule III, part - 1 of the companies Act, 2013?

   a) Capital reserves

   b) Debentures

   c) Outstanding expenses

   d) Bank overdraft

   e) Interest Accrued on Investment

6. From the following balances of Vinayaka Ltd., Prepare a statement of Profit and loss as on 31/03/2026

Particulars	**Amount (Rs)**
Total sales for 2025-26	1,96,000
Interest and dividend received	4,000
Materials consumed	40,000
Purchases	24,000
Changes in Inventory	4,000
Wages and salaries	38,000
Debenture Interest	8,000
Amortization and Depreciation	5,600
Other expenses	10,500

7. State the characteristics of corporate financial reporting.

SECTION - C

Answer any Three of the following questions. Each question carries Fifteen marks.
(3×15=45)

8. Vedha Co. Ltd., 20,000 shares of Rs. 100 each at a premium of 10% per share, payable as follows.

   Rs. 20 on application

Rs. 40 on allotment (including premium)

Rs. 30 on first call and

balance on second and final call.

Applications were received for 20,000 shares and money duly received, except on the first call on 1,000 shares and second and final call on 2000 shares.

Pass Journal entries for the above in the books of company.

9. Sharadha Ltd., made a public issue of 1,00,000 shares of Rs. 10 each. The entire issue was under - written by X,Y and Z as follows.

X - 50,000, Y - 30,000 and Z - 20,000 shares. In addition there was Firm under writting as follows. X - 10,000, Y - 7,500 and Z - 7,500 shares. The total subscription in cluding firm under writing was 80,000 shares, which included marked applications as follows : - X -15,000, Y - 20,000 and Z - 7,500 shares.

Calculate the total liability of each under writers treating firm underwriting as unmarked applications.

10. Hanuman Ltd., was incorporated on 31-07-2025 to acquire the business of Lakshmi as on 1-4-2025. The books of accounts disclosed the following on 31-03-2026.

a) Sales for the year Rs. 32,10,400 (1^{st}-4-25 to 31-07-25 Rs. 8,02,600 and 01-08-25 to 31-3-26 Rs. 24,07,800)

b) Gross profit Rs. 4,12,800

c) Managing company director's salary Rs. 12,000

d) Preliminary expenses written off Rs. 18,000

e) Company secretary's salary Rs. 58,000

f) Bad debts written off Rs. 14,890 (Prior to 31-07-2025 Rs. 4020 and after 1-08-2025 balance)

g) Depreciation on machinery Rs. 25,200

h) General expenses Rs. 51,500

i) Advertising Rs. 7,400.

j) Interest on Debentures Rs. 20,000.

You are required to prepare a statement showing profit earned by the company in the pre and post incorporation periods.

11. From the given trial balance, prepare the Balance sheet of Dhurga Ltd., as on 31-03-2026.

Trial Balance as on 31-03-2026

Particulars	Debit	Credit
Share capital	(Rs)	(Rs)
(40,000 shares of Rs. 10 each)	-	4,00,000
Bills Receivable	90,000	-
10% Mortgage loan		1,70,000
Stores and Spares	1,15,000	-
Debtors	1,66,000	-
Plant and machinery	2,90,000	-
Good will	40,000	-
Provision for tax	-	26,000
General Reserve	-	1,30,000
Cash in hand	18,000	-
Calls - in - arrear	2,000	-
Marketable securities	5,000	-
Total	**7,26,000**	**7,26,000**

12. Explain the components of corporate Financial Reporting.

SECTION - D

Answer the following question. This question carries Five marks. **(1×5=5)**

13. List the contents of an Annual Report.