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BBABMCN 201

**II Semester B.B.A. Degree Examination, September 2022
(NEP-2020) (2021-22 Batch Onwards)
CORPORATE ACCOUNTING AND REPORTING (DSCC)**

Time : 2 Hours

Max. Marks : 60

- Instructions :** 1) Working notes should form **part** of your answer.
2) Proper presentation and **neatness** is essential.
3) Use of simple calculator is **allowed**.

SECTION – A

Answer **any five** of the following questions. (**Each** carries **two** marks) **(5×2=10)**

1. What is meant by partnership deed ?
2. What is fluctuating capital method ?
3. What is meant by company ?
4. How do you treat provision for tax and interest on debentures in final accounts of Joint Stock Companies ?
5. What are the tools of analysis of financial statement ?
6. What is meant by trend analysis ?
7. What are the types of corporate financial reporting ?

SECTION – B

Answer **any four** of the following questions. (**Each** question carries **five** marks)

(4×5=20)

8. Husband and wife commenced business in partnership with a capital of ₹ 40,000 and ₹ 30,000 respectively on 01-01-2021, agreeing to share the profits and losses in the ratio of 3 : 2 for the year ending 31-12-2021. They earned a profit of ₹ 12,000 before allowing :
 - i) Interest on capital at 5% p.a.
 - ii) Interest on drawing at 6% p.a.

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iii) Salary to partner husband ₹ 3,000 p.a.

iv) Commission to wife ₹ 2,000 p.a.

Their drawings during the year was as follows :

Husband's Drawing's		Wife's Drawings	
31-03-2021	₹ 1,000	28-02-2021	₹ 1,000
01-07-2021	₹ 3,000	30-06-2021	₹ 1,500
01-09-2021	₹ 2,500	01-10-2021	₹ 2,500

Prepare the profit and loss appropriation account of the firm.

9. Profits of a business for the last five years : 2017 – ₹ 50,000; 2018 – ₹ 40,000; 2019 – ₹ 60,000; 2020 – ₹ 20,000; 2021 – ₹ 30,000 and Goodwill of the business is agreed at three years purchase of the average profit of the last five years. Calculate the value of goodwill of the business.
10. Prepare a balance sheet of Ariel Company Ltd. in statutory form, as on 31-03-2022, from the following information.

Particulars	₹
Share capital :	
1,00,000 Equity shares of ₹ 10	10,00,000
8000 Preference shares of ₹ 100	8,00,000
Securities premium	8,00,000
General Reserve	32,00,000
Secured Loans	18,00,000
Unsecured Loans	3,10,000
Fixed Assets	56,00,000
Goodwill	3,00,000



Closing Stock	14,00,000
Debtors	14,20,000
Cash and bank balance	3,40,000
Loans and Advances (Dr.)	5,30,000
Creditors	12,00,000
Bills Payable	3,00,000
Miscellaneous Expenditure	60,000
Profit and Loss Account (Loss)	4,00,000

Provide for :

- A) Depreciation of fixed assets ₹ 6,00,000.
- B) Provision for doubtful debts ₹ 40,000.

11. Write any five statutory provisions regarding preparation of final accounts of company.

12. Prepare a comparative income statement from the following information :

Particulars	Note No.	2020-21	2021-22
		(₹)	(₹)
Revenue from operation			
(% of cost of material consumed)		125%	140%
Cost of material consumed		2,40,000	2,50,000
Other Expenses			
(% of Revenue from operations)		10%	12%
Other Income		15,000	20,000
Rate of tax		30%	30%



13. Prepare a common size statement of profit and loss of Delhi Ltd., with the help of following information :

Particulars	Note No.	2020-21 (₹)	2021-22 (₹)
Revenue from operation		6,00,000	8,00,000
Cost of Material consumed		4,28,000	7,28,000
Indirect Expense		72,000	90,000
Other Incomes		10,000	12,000
Income Tax (Rate)		30%	30%

14. From the following data, calculate trend percentages (2019 as base) (₹ in lakhs)

Particulars	2019 (₹)	2020 (₹)	2021 (₹)
Cash	200	240	160
Debtors	400	500	650
Land	800	1,000	1,000
Buildings	1,600	2,000	2,400
Plant	2,000	2,000	2,400

SECTION – C

Answer **any three** of the following questions. (**Each** question carries **ten** marks)

(3×10=30)

15. The following are the balances of Indian Company Limited as on 31st March, 2021 :

Particulars	Debit ₹	Credit ₹
Premises	30,72,000	—
Plant	33,00,000	—
Stock	7,50,000	—
Debtors	8,70,000	—



Goodwill	2,50,000	—
Cash and Bank	4,06,500	—
Calls in Arrears	75,000	—
Interim Dividend paid	3,92,500	—
Purchases	18,50,000	—
Preliminary Expenses	50,000	—
Wages	9,79,800	—
General Expenses	68,350	—
Salaries	2,02,250	—
Bad Debts	21,100	—
Debenture Interest Paid	1,80,000	—
Share Capital	—	40,00,000
12% Debentures	—	30,00,000
Profit and Loss Account	—	2,62,500
Bills Payable	—	3,70,000
Creditors	—	4,00,000
Sales	—	41,50,000
General Reserve	—	2,50,000
Bad Debt provision on 01-04-2020	—	35,000
	1,24,67,500	1,24,67,500

Additional Information :

- i) Depreciate Plant by 15%.
- ii) Write off ₹ 5,000 from preliminary expenses.
- iii) Half year's debenture interest due.
- iv) Create 5% provision of debtors for doubtful debts.



- v) Provide for taxation at 50%.
- vi) Stock on 31st March 2021 was ₹ 9,50,000.
- vii) A claim of ₹ 25,000 for workmen's compensation are being disputed by the company.

Prepare statement of profit and loss.

16. Ashwini and Suma are partners sharing profits and losses in the ratio of 3 : 2. From the following Ledger Balances prepare profit and loss appropriation account and partners' capital as well as balance sheet of the firm as on 31-03-2022.

Particulars	Debit ₹	Credit ₹
Capital :		
Ashwini	–	40,000
Suma	–	30,000
Land and Buildings	30,000	–
Plant and Machinery	25,000	–
Debtors	12,000	–
Creditors	–	21,000
Furniture	16,000	–
Advertisement (For 2 Years)	6,000	–
Bills Receivables	8,000	–
Bills Payables	–	15,000
Drawings :		
Ashwini	2,000	–
Suma	3,000	–
Cash in hand	5,500	–
Outstanding Rent	–	1,500
	1,07,500	1,07,500



Note : Their profits for the year ending 31-03-2022 before making the interest on capital amounted to ₹ 13,500.

Adjustments :

- i) Closing stock on hand 31-03-2022 was ₹ 35,000.
- ii) Write off ₹ 2,000 further bad Debts and Maintain RDD at 5% on Debtors.
- iii) Depreciate land and building at 5% and plant and machinery at 10%.
- iv) Outstanding Expenses :
 - Salary ₹ 1,000
 - Wages ₹ 2,000
- v) Credit purchase amounts to ₹ 4,000 were not recorded in the books of accounts.
- vi) Provide interest on capital at 5% per annum.

17. Amitha Ltd. issued 10,000 shares of ₹ 10 each payable ₹ 3 on application and ₹ 4 on allotment. The applications were received for 12,000 shares. The deposits on 1,000 shares were returned to those applicants to whom no shares were allotted. The deposit in respect of the other 1,000 shares were carried forward to the allotment account the money payable of allotment were duly received. A call of ₹ 3 was made and the amount was received except on 2,000 shares. Give Journal entries to record the above.

18. Following are the balance sheets of Alpha Ltd. as at 31-03-2021 and 22. You are required to prepare comparative balance sheet :

Particulars	Note No.	2020-21	2021-22
		(₹)	(₹)
Equity and Liabilities :			
1) Shareholders' Funds :			
Share Capital		2,00,000	4,00,000
Reserves and Surplus		1,00,000	1,50,000
2) Non Current Liabilities :			
Long Term Borrowings		2,00,000	3,00,000



3) Current Liabilities :

Short Term Borrowings	50,000	70,000
Trade Payables	30,000	60,000
Other Current Liabilities	20,000	20,000
Short Term Provisions	20,000	20,000
Total	6,20,000	10,20,000

Assets :

1) Non current Assets :

Fixed Assets	2,00,000	5,00,000
Non Current Investments	1,00,000	1,25,000

2) Current Assets :

Current Investments	60,000	80,000
Inventories	1,35,000	1,55,000
Trade Receivables	60,000	90,000
Cash and cash equivalents	25,000	10,000
Short Term Loans and Advances	40,000	60,000
Total	6,20,000	10,20,000

19. Who are the users of corporate financial report ?
