VIT
Vellore Institute of Technology

Final Assessment Test – November 2025

Course: UCCA201L - Corporate Accounting
Class NBR(s): 0356 / 0357
Slot: A1+TA1+TAA1
Time: Three Hours
Max. Marks: 100

- KEEPING MOBILE PHONE/ANY ELECTRONIC GADGETS, EVEN IN 'OFF' POSITION IS TREATED AS EXA
  MALPRACTICE
- DON'T WRITE ANYTHING ON THE QUESTION PAPER

COs	CO Statements
CO1	Acquire accounting treatment of issue and redemption of shares and debentures
CO2	Estimate the pre and post incorporation profit and preparation of income statement
CO3	Develop an understanding of the preparation of the financial statements as per tax and regulatory laws
CO4	Estimate the Goodwill in Business valuation
CO5	Prepare accounting schedules and notes
CO6	Analyze the provisions related to liquidation of companies
CO7	Understand and prepare Holding companies accounts

BL – Blooms Taxonomy Level (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)

Answer ALL Questions
(10 X 10 = 100 Marks)

1. A company invited applications for 10,000 shares of Rs.25 each payable as follows: CO1 BL3

	Rs.
On application	8
On allotment	7
On first call	5
On second & final call	5

Applications were received for 10,000 shares and full allotment was made. Pass journal entries.

2.a) Explain the provisions of the Companies Act regarding the redemption of redeemable preference share. CO1 BL2

OR

2.b) State the differences between Shares and Debentures CO1 BL2

3. Pass journal entries at the time of issue to record the following: CO1 BL3

a) A company issued Rs. 2,00,000, 12% Debentures at a discount of 5%, redeemable at par.

b) A company issued Rs. 40,000, 12% Debentures at a premium of 5%, redeemable at par.

c) A company issued Rs. 40,000, 12% Debentures at par, redeemable at 10% premium.

d) A company issued Rs. 1,00,000, 15% Debentures at a discount of 5%, redeemable after 10 years at premium of 10%.

4. V K Ltd. was incorporated on the 1st March, 2020 and received its certificate for commencement for business on 1st April, 2020. The company bought the business of M/s Sharad Singh Brothers with effect from 1st November, 2019. From the following figures relating to the year ending October 31, 2020 find out the profits available for dividends. CO2 BL3

(i) Sales for the year ₹ 6,00,000 out of which sales up to 1st March were ₹ 2,50,000 and up to 31st October 2020 ₹ 3,50,000.

(ii) Gross profit for the year was ₹ 1,80,000.

(iii) The expenses debited to the Profit and Loss Account were:

	₹
Rent	9,000
Salaries	15,000
Director's fees	4,800
Interest on Debenture	5,000
Audit fees	1,500
Discount on Sales	3,600
Depreciation	24,000
General expenses	4,800
Advertising	18,000
Stationery & Printing	3,600
Commission on Sales	6,000
Bad debts (₹ 500 relate to debts created prior to incorporation)	1,500
Interest to vendor on purchase consideration up to 1st May, 2020	3,000

5.a) Prepare the Balance Sheet of Madhur Textiles Ltd. as at 31st March, 2020 from the following particulars: CO3 BL3

Particulars	₹
Trade Payables	1,12,000
Long-term Borrowings	3,20,000
Reserve and Surplus	2,52,000
Land & Buildings	7,64,000
Patents	60,000
Trade Receivables	2,48,000
Cash and Cash Equivalents	1,36,000
Inventories	1,96,000
Share Capital (₹ 10 each)	6,00,000
Share Application Money Pending Allotment	1,20,000

OR

5.b) Under what heads, the following items on the Assets side of the Balance Sheet of a company will be presented: CO3 BL3

(i) Sundry Debtors

(ii) Patents and Trade Marks

(iii) Shares in D.C.M. Limited

(iv) Bills Receivable

(v) Advances recoverable in cash

(vi) Prepaid Insurance

(vii) Work-in-Progress

6. The following particulars are available in respect of the business carried on by a trader: CO4 BL3

(1) Profits earned for the years:

1998-1999 = Rs. 50,000

1999-2000 = Rs. 60,000

2000-2001 = Rs. 55,000

(2) Normal rate of return = 10%

(3) Average Capital Employed = Rs. 3,00,000

(4) Present value of an annuity of one rupee for 5 years at 10% = Rs. 3.78

(5) The profits included non-recurring profits on an average basis of Rs. 3,000

You are required to calculate the value of goodwill:

(i) As per five years purchase of Super-profits

(ii) As per capitalisation of super-profit; and

(iii) As per the Annuity method

7. Calculate the value of one equity share from the following information: CO4 BL3

(i) 60,000 equity shares of Rs. 10 each, Rs. 7 paid-up

(ii) Rs. 2,00,000, 10% preference shares of Rs. 100 each fully paid;

(iii) Expected annual profits before tax Rs. 4,00,000;

(iv) Tax rate 35%

(v) Transfer to General Reserve 20% of profits every year;

(vi) Normal rate of return 20%

8. Prepare the Liquidator's Final Statement of Account from the following information. CO6 BL3

Balance sheet of X Ltd. as at 31-3-2023

Liabilities	Amount	Assets	Amount
14% preference shares of Rs. 100 each, fully paid	4,00,000	Land and Building	2,00,000
		Plant and Machinery	5,40,000
		Patents	40,000
Equity shares of Rs. 100 each, Rs. 60 paid up	4,80,000	Stock	1,00,000
		Debtors	2,30,000
14% Debentures	2,30,000	Bank	60,000
Accrued Interest on Debentures	32,200	Profit and Loss A/c	2,40,000
Loan (Mortgage of land and Building)	1,50,000		
Creditors (including Rs.30000 preference share)	1,17,800		
	14,10,000		**14,10,000**

Note: Arrears of preference dividend for one year.

The company went into voluntary liquidation on 31-3-2023. The assets realise as follows:

	Rs.
Land and Building	2,80,000
Plant and Machinery	5,00,000
Patents	50,000
Stock	1,60,000
Debtors	2,00,000

The liquidator is entitled to a commission of 2% on assets realised (except Bank) and 2% of the amount distributed among unsecured creditors other than preferential creditors. All payments were made on 30-6-2023. Liquidation expenses amounted to Rs. 29,434. Assume that secured loan creditors have relinquished their security and proved their debt.

9. From the following details, prepare the consolidated balance sheet as at 31-3-2021 CO7 BL3

Liabilities	H Ltd	S Ltd.	Assets	H Ltd.	S Ltd.
Share capital (Rs.100)	5,00,000	2,00,000	Sundry Assets	10,00,000	5,00,000
			1500 shares in S Ltd.	3,50,000	-
Profit and Loss A/c	3,00,000	2,00,000			
General reserve	1,00,000	-			
Sundry Liabilities	4,50,000	1,00,000			
	13,50,000	5,00,000		13,56,000	5,00,000

Assume that shares were acquired by H Ltd.in S Ltd. on 31-3-2021.

10. Prepare the Profit and Loss Account in a prescribed vertical format with proper classification of items with imaginary figures. Clearly show the major heads and sub-heads with notes as per companies Act 2013. CO5 BL3

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