



**Progressive Education Society's**  
**Modern College of Arts, Science & Commerce Ganeshkhind, Pune – 16, NEP 2020**  
**(Autonomous)**  
**End Semester Examination – October, 2024**  
**Faculty: Commerce**

**Program: B. Com**

**Course Type: CC**

**Class: SYBCOM**

**Name of the Course: Practices of Corporate Accounting I**

**Semester: III**

**Course Code: COM23201**

**Max. Marks: 30**

**Time: 2hrs.**

**Instructions to the candidate:**

- 1) All questions are compulsory.
- 2) Question No. 2 to Question No. 3 carry equal marks.
- 3) Figures to the right side indicate full marks.

**Q.1. A) Fill in the Blanks (Any Five) ( 5 Marks)**

**1. ....is a Consolidated financial statements**

- A) AS 21 B) AS 22 C) AS 20 D) AS 23

**2. Commonly a Financial Year comes to an end on.....**

- A) 31st March B) 31 January C) 31 December D) 31 April

**3. Retained profit of a limited company belongs to the.....**

- A) Company. B) Directors. C) Debenture holders. D) Shareholders

**4. In company accounts, debentures are recorded under the head-----**

- A) Long-term liabilities. B) Employee benefit expenses  
C) Other current liabilities. D) Other expenses

**5. Investments are.....**

- A) Fictitious asset. B) Fixed asset C) Trading assets. D) Non-trading assets

**6. In the case of valuation of non-participating shares, they are treated as.....**

- A) Equity. B) Creditors. C) Outside Creditors. D) Debtors

**7. .... deals with financial measurements and disclosures used in producing a set of fairly presented financial statements.**

- B) Accounting Standards. B) Accounting Concept. C) Accounting Rules. D) Accounting

**C) True or False. (5 marks)**

- 1) The Institute of Chartered Accountants of India (ICAI) issues Accounting Standards.
- 2) The Purpose of Accounting Standards is to harmonize accounting equations.
- 3) Fair value of shares is not connected with the intrinsic value and yield value of shares.
- 4) The Intrinsic Value Method is also called Asset Backing method.
- 5) Trade Payables are recorded in Current liabilities.

**Q. 2. Following is the trial Balance of Shruti Ltd. As on 31.03.2023.**

**(10 Marks)**

Particular	Debit	Particular	Credit
Stock (01.04.2022)	82,000	P/L A/C (01.01.2022)	30,000
Land & Building	5,32,500	Creditors	39,000
Furniture & Fitting	1,38,000	Equity Share Capital	5,00,000
Debtors	50,000	Sales	5,90,000
Salaries	55,000	15% Debentures	81,000
Purchases	3,02,000		
Carriage Inward	7,400		
Carriage Outward	5,000		
Office Expenses	24,000		
Advertising	9,400		
Rates	14,600		
Cash in hand	3,000		
Cash at bank	11,000		
Discount on Debentures	6,100		
	<b>12,40,000</b>		<b>12,40,000</b>

**Prepare profit and loss account for the year ended 31.03.2023.**

- A) The stock as on 31.03.2023 was valued at rupees Rs. 70000.
- B) Provide for depreciation on fixed assets @ 10% p.a.
- C) Salaries outstanding rupees Rs. 2500.
- D) Provision for doubtful debts is to be made @ 2% on closing debtors
- E) Provide for tax @ 30%
- F) Managing director's remuneration is 2% on net profit.

**Q. 3. Varma ltd. Pune issued 50000 Equity Shares of Rs. 10 each fully called-up and Paid-up respectively. The company has earned sizable amount of net profit during the last five years which were as follows:**

**(10 Marks)**

<b>Year.</b>	<b>Net profit</b>
2015.	55, 390
2016	57, 820
2017.	60, 140
2018.	61, 280
2019.	65, 370

Of the profit so earned 20% was transferred to general reserve, this proportion being considered reasonable in the manufacturing industry in which the company is engaged and where a fair investment written may be taken at 10%.

**You are required to compute the value of company's equity shares in the Yield Basis Method.**

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