



**BRAINWARE UNIVERSITY**

**Term End Examination 2023**  
**Programme – B.Com.(BF)-Hons-2021**  
**Course Name – Corporate Accounting**  
**Course Code - BCMC401**  
**( Semester IV )**

*Library*  
*Brainware University*  
*398, Ramkrishnapur Road, Barasat*  
*Kolkata, West Bengal-700125*

**Full Marks : 60**

**Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

**Group-A**

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) The information provided by financial statements is \_\_\_\_\_ In nature (Identify the correct answer)
- a) Standard  
b) Historical  
c) Marginal  
d) Uniform
- (ii) The exact cause of increase or decrease in profit or loss is disclosed by--(Identify the correct answer)
- a) Management accounting system  
b) Financial accounting system  
c) Cost accounting system  
d) Management information system
- (iii) Data required for the fixation of selling price is provided by-- (Identify the correct answer)
- a) Management accounting system  
b) Financial counting system  
c) Cost accounting system  
d) All of these
- (iv) Fringe benefits are described as
- a) Related to labour productivity  
b) indirect forms of employee compensation  
c) contract labour costs  
d) monetary benefits
- (v) Dividend received by others then financial Enterprises is shown in the cash flow statement under
- a) operating activities  
b) investing activities  
c) financing activities  
d) none of the above
- (vi) Goodwill is the outcome of an impression in the mind of each
- a) customer  
b) creditors  
c) government  
d) none of these
- (vii) As per section 78 of the companies act, amount collected as premium on securities cannot be utilized for--(Choose the correct option)
- a) Issuing fully paid bonus shares to the members  
b) Writing off preliminary expenses  
c) Purchase of fixed assets  
d) None of them
- (viii) Choose which of the following is not a statistical book of a company--
- a) Share application and allotment book  
b) Register of share warrants  
c) Register of debenture holder  
d) Register of shares and debentures transferred
- (ix) The term current asset doesn't cover- (Choose the correct option)
- a) Personal Car  
b) Debtors  
c) Stock  
d) None of them
- (x) In income statement, gross profit is always equal to- (Choose the correct option)
- a) Purchase – sales  
b) Sales - purchase  
c) Purchase - COGS  
d) Sales-cost of goods sold
- (xi) Choose the time frame when offsetting permitted under Ind AS 1.
- a) never  
b) always  
c) when approved by the board of directors  
d) when required or permitted under an ifrs
- (xii) When one of the existing companies take over business of another company or companies, it is known as .....(Identify the correct answer)
- a) Amalgamation  
b) Absorption  
c) Internal reconstruction  
d) External reconstruction
- (xiii) Recognize the correct statement-
- a) The amount of Goodwill or Capital Reserve is found out in the books of purchasing company only  
b) The amount of Goodwill or Capital Reserve is found out in the books of vendor company only.  
c) Goodwill = Net Assets –Purchase price  
d) The face value of shares of purchasing company will be taken in to account while calculating purchase consideration
- (xiv) Identify the statement which is false:
- a) A company is a legal entity quite distinct from its member  
b) A company can buy its own share  
c) A shareholder is the agent of the company  
d) Same person can agent and creditor of the company
- (xv) Permission from central government to issue share capital is required if Nominal capital exceeds. (Select the correct answer)
- a) ₹5 crore  
b) ₹2 crore  
c) ₹1 crore  
d) None of them



**Group-B**  
(Short Answer Type Questions)

3 x 5=15

2. Explain the functions of a bank. (3)
3. Explain Cash Reserve (Section 18). (3)
4. Describe Preference Dividend. (3)
5. Explain Private Placement. (3)
6. The sale for Rs. 1,00,000 of an investment acquired 5 years ago at a cost of Rs. 30,000. You are required to justify how the above incident will be dealt with in final statements of account. (3)

**OR**

A professional valuation of buildings owned by the company has shown a surplus over book values of Rs.3,00,000. You are required to justify how the above incident will be dealt with in final statements of account. (3)

**Group-C**  
(Long Answer Type Questions)

5 x 6=30

7. The following balances have been extracted from the accounting records of V.P. Sugar Limited as at 31st March, 2023: (5)

Particulars	₹
Sale of Sugar (Net of excise duty)	70,66,041
Other Operating Income (power generation)	1,95,616
Other Income	1,30,088
Cost of Materials Consumed	30,81,842
Increase in Inventories of Finished Goods, W.I.P., etc.	6,96,688
Salaries and Wages	5,19,426
Contribution to P.F. and Gratuity Fund	2,50,000
Depreciation	3,32,593
Amortisation Expenses	1,00,000
Power and Fuel	15,23,312
Rent, Rates and Taxes	13,21,246
Finance Cost	1,97,768
Tax Expenses (including deferred tax)	2,16,818
Paid-up Equity Share Capital of ₹ 10 each	2,71,000

You are required to:

Prepare a Statement of Profit and Loss for the year ended 31st March, 2023.

8. Explain 'Sweat Equity' Shares. (5)
9. Define Extraordinary items in a balance sheet of a company. (5)
10. Describe oversubscription & undersubscription. (5)
11. X Co. Ltd. invited applications for 50,000 shares of Rs. 10 each payable. On Application Rs.3 On Allotment Rs.2 And the balance when required. 60,000 shares were applied for. The directors accepted applications for 50,000 shares and rejected the remaining applications. Allotment money was received on 49,000 shares. You are required to pass the necessary journal entries for the company. (5)
12. Compare between public company & private company. (5)

**OR**

The following two term loan accounts were sanctioned by UBI Main Branch, Kolkata on 1st January 2016. The details are given below: (5)

Particulars		Loan A/c (A & Co.)	Loan A/c (B & Co.)
(i) Amount of loan	₹	6,00,000	10,00,000
(ii) Period		5 years	5 years
(iii) Basis of Installment		Quarterly	Half yearly
(iv) Rate of Interest	(%)	12	12
(v) Amount of Installments	₹	30,000 + Interest	1,00,000 + Interest

You are required to find out the date on which these accounts will become NPA. Assume that there is no recovery.

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