



Name:

Enrolment No:

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2024

Course: Corporate Accounting

Program: B Com (Hons.)

Course Code: FINC1015

Semester: 2nd

Time : 03 hrs.

Max. Marks: 100

Instructions: All questions are compulsory

SECTION A

10Q x 2M =20Marks

S. No.		Marks	CO
Q1	_____ is the goodwill which is not purchased for consideration but is earned by the efforts of the management. a. Purchased goodwill b. None of these c. Self-generated goodwill d. Profit and loss	2	1
Q2	When shares are issued at more than face value, it means shares are issued at a. Premium b. Discount c. Par d. None of these	2	1
Q3 is added back to net profit to calculate cash flow from operating activities. a. Depreciation b. Loss on sale of asset c. Provision for tax d. All of the above	2	1
Q4	Shyam forfeited 2,000 shares of Rs.100 each for non-payment of first call Rs.20 and final call Rs.35. The amount to be credited to Share forfeiture account is Rs. a. 1,10,000 b. 90,000 c. 2,00,000 d. None of these	2	1
Q5	The amount to be credited to calls in arrears account in above question is Rs. a. 1,10,000	2	1

	b. 90,000 c. 80,000 d. None of these		
Q6	Rakesh purchased machinery for Rs.60,000 and issued shares of Rs.100 each as consideration at 20% premium. The number of shares issued are a. 12,000 b. 10,000 c. 5,000 d. None of these	2	1
Q7 are entitled to fixed rate of dividend. a. Preference shareholders b. Equity shareholders c. Both a and b d. None of these	2	1
Q8	_____ is the goodwill which is not purchased for consideration but is earned by the efforts of the management. (a) Purchased goodwill (b) None of these (c) Self-generated goodwill (d) Profit and loss	2	1
Q9	Mahesh is a builder and he sells flats regularly. It is an a. Operating activity b. Financing activity c. Investing activity d. None of these	2	1
Q10	The closing stock is valued at a. Cost price b. Market price c. Lower of a or b d. None of these	2	1

SECTION B

4Q x 5M = 20 Marks

Q11	What is the term used to describe a financial statement that illustrates cash inflows and outflows from different activities, and what is the purpose behind its preparation?	5	2
Q12	An arrangement in which values of assets and liabilities are altered for smooth and efficient functioning of a business enterprise. Name and explain the concept involved in this statement.	5	2
Q13	Accounting Standard 2 specifies that inventory should be valued at the lower of its cost or net realizable value. Can you provide an example	5	2

	illustrating this concept?		
Q14	Explain the concept of amalgamation.	5	2
SECTION-C 3Q x 10M = 30 Marks			
Q15	Write short notes on a. Corporate accounting b. Goodwill	10	3
Q16	The profit and losses for last five years were 1 st year – Rs2,000 (including an abnormal gain of 1,000) 2 nd year- Rs8,000 (excluding Rs2,000 as insurance premium) 3 rd year- Rs15,00 (after charging an abnormal loss of Rs1000) 4 th year- Rs3,500 5 th year- Rs1,000(loss) Calculate the amount of goodwill on the basis of 3 years purchased of last 5 years profit and losses. Using any method of goodwill valuation.	10	3
Q17	Sapna Limited purchased the business assets of brother Limited for Rs.3,60,000 payable in the form of shares of Rs.10 each. Pass journal entries in the books of Sapna Limited if the shares are issued:- (a) At par. (b) At 20% premium.	10	3
SECTION-D 2Q x 15M = 30 Marks			
Q18	ABC Ltd forfeited 500 shares of Rs.100 each for nonpayment of 1st call Rs.30 and final call of Rs.20 per share. These shares were reissued at the rate of Rs.90 per share fully paid up. Pass Journal entries and working notes.	15	4
Q19	Rajnish Limited issued 10,000 shares of Rs.100 each payable Rs.30 on application, Rs.20 on allotment, Rs.25 on first call and balance on final call. Applications were received for 15,000 shares and pro rata allotment was made to applicants for 12,000 shares. Ramesh the holder of 50 shares failed to pay the allotment money and, on his failure, to pay the first call, his shares were immediately forfeited after the first call. Half of these shares were reissued at Rs.90 per share fully paid up. Pass journal entries.	15	4