

QP CODE

Enrollment Number:

C1016

Name:

B.COM DEGREE EXAMINATIONS, JULY 2025

Third Semester

B.Com

**B21CM05DC – Corporate Accounting and Auditing
(2023 July admissions)**

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. Which type of shares carries voting right and enables the investors to have controlling power in a company?
2. State any one preference enjoyed by the preference shareholders over equity shareholders.
3. What do you mean by book building?
4. Which type of debentures has a claim against the company's asset in the event of any default?
5. Under which method the entire number of debentures is redeemed after the expiry as per the terms of the issue?
6. Against which account is the loss on issue of debentures usually written off?
7. Describe the term 'Separate legal entity'.
8. Which category in the Balance Sheet includes assets that are expected to be converted into cash or consumed within the business cycle, usually one year?
9. Which indicates the difference between the tax expenses recognized in the financial statements and the amount of tax payable to the tax authorities?
10. State any one advantage of continuous audit.
11. What do you mean by audit engagement?
12. What is the primary purpose of maintaining an audit note book?
13. What does an audit report assess?
14. What are the duties called that cannot be restricted by the Articles of Association or passing any resolution by the shareholders or board of directors?
15. What is the main purpose of debenture audit?

(1X10=10)

Section B

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

16. Ken .Ltd, forfeited 800 shares of Rs.10 each fully called up, on which the holder has paid only the application money of Rs.3 per share. Out of these, 800 were re-issued at Rs.11 per share, fully paid up. Find out the amount to be transferred to the capital reserve.
17. Write any two differences between share and stock.
18. A company issued 1000 debentures at Rs.95 (Rs.100 face value) and will redeem them at Rs.110 after five years. What is the loss on the issue of debentures?
19. Visaws Ltd. issued 50,000, 9% debentures of ₹50 each, payable on application as specified in the prospectus and redeemable at par after three years from the date of issue. Record the required journal entries for the issue of these debentures in the books of Viswas Ltd.
20. From the following information calculate 'Revenue from operation'.
Sales of product Rs.35,000 Sales return Rs.2500 Other operating revenue Rs.750,
Excise duty Rs.450.
21. List out items covered under the head 'Current Liabilities' in the Balance Sheet.
22. State any two features of auditing.
23. What are the independent functions of Internal Audit in Bank?
24. List out the contents of audit certificate.
25. Give any two contractual liabilities of an auditor.

(2X5=10)

Section C

Answer any four of the following questions. Each question carries 5 marks.

26. What are the various types of statutory registers to be maintained in a company?
27. Explain the Key Aspects of Debenture Audit
28. Describe the objectives of auditing briefly.
29. State the advantages of annual audit.
30. List out the contents of audit working papers.
31. Differentiate debentures and shares.
32. X Ltd. issued 10, 000, 9% debentures of Rs.100 each at a 10% discount, redeemable at par at the end of the 5th year. The payment terms were Rs.40 on application and Rs.50 on allotment. Record the necessary journal entries for the issue of these debentures.

QP CODE C1016

33. Arjun .Ltd redeemed 1,000, 15% debentures of Rs. 100 each by converting them into equity shares of Rs. 10 each at a premium of Rs. 2.50 per share. The company also redeemed 500 debentures by utilizing Rs. 50,000 out of profit. Give the necessary journal entries.

(5X4=20)

Section D

Answer any two of the following questions. Each question carries 15 marks.

34. Ashoka Limited issued 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share, payable as Rs. 3 on application, Rs. 5 on allotment (including premium) and the balance in two calls of equal amount. Applications were received for 4,00,000 shares and pro-rata allotment was made to all the applicants. The excess application money was adjusted towards allotment. Midhun who was allotted 800 shares failed to pay both the calls and his shares were forfeited after the second call. Record necessary journal entries in the books of Ashoka Limited.

35. Prepare Balance Sheet of Anand .Ltd, as on 31st March 2025 as per Schedule III to the Companies Act 2013.

| Particulars | Rs.in '000 | Particulars | Rs.in '000 |
|---|------------|-------------------------------------|------------|
| Share capital | 500 | Tangible assets | 120 |
| Reserves & surplus | 200 | Intangible assets | 110 |
| Share application money pending allotment | 40 | Capital working progress | 115 |
| Long-term liabilities (12% debentures) | 200 | Intangible assets under development | 20 |
| Other long term liabilities | 20 | Long term loans and advances | 5 |
| Long term provisions | 45 | Non-current investments | 480 |
| Trade payables | 75 | Current investments | 20 |
| Other current liabilities | 50 | Inventories | 50 |
| Short term provisions | 20 | Trade receivables | 120 |
| Cash & cash equivalents | 48 | Other current assets | 62 |

36. Discuss about the purpose of audit report and its types.

37. Illustrate the rights of a company auditor.

(15X2=30)