

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI  
(END SEMESTER EXAMINATION)**

**CLASS: MBA  
BRANCH: MBA**

**SEMESTER : III  
SESSION : MO/2023**

**SUBJECT: MT510 CORPORATE ACCOUNTING**

**TIME: 3 Hours**

**FULL MARKS: 50**

**INSTRUCTIONS:**

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
  2. Attempt all questions.
  3. The missing data, if any, may be assumed suitably.
  4. Before attempting the question paper, be sure that you have got the correct question paper.
  5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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|        |   | CO        | BL    |
|--------|---|-----------|-------|
| Q.1(a) | Define a 'Company'. Briefly explain the characteristics of companies and their process of formation.  | [5] 1     | 1,2   |
| Q.1(b) | Discuss the various aspects related to the share capital of a company, including the issue of shares, calls-in-arrears, and calls-in-advance.   | [5] 1,2   | 2,3   |
| Q.2(a) | Explain briefly the process of issuing and redeeming preference shares, including any accounting treatment involved.  | [5] 1,2   | 2,3   |
| Q.2(b) | Define debentures and clearly explain the accounting treatment for the issue of debentures.   | [5] 2,3   | 2,3,4 |
| Q.3(a) | Explain the meaning of and the process for preparing a company's final accounts.  | [5] 3     | 3,4   |
| Q.3(b) | Explore the concept of profits prior to incorporation, including the methods of ascertaining profit or loss prior to incorporation and the corresponding accounting treatment in the books of companies.  | [5] 2,3   | 3,4   |
| Q.4(a) | Define Goodwill. ABC Ltd., a company engaged in the manufacturing sector, is considering the acquisition of XYZ Ltd. XYZ Ltd. has an average profit of Rs150,000 over the past three years. The normal rate of return in the industry is 12%. Calculate the value of goodwill using the Capitalization of Super Profits Method. | [5] 3,4   | 4,5   |
| Q.4(b) | Discuss any two methods employed for valuation of equity shares and differentiate between different categories of equity shares.  | [5] 4     | 3,4,5 |
| Q.5(a) | Define amalgamation. Discuss the types of amalgamation and the accounting treatment for amalgamation.   | [5] 4,5   | 3,4,5 |
| Q.5(b) | Explore the concepts of holding companies and subsidiary companies as per the Companies Act 1956.   | [5] 3,4,5 | 4,5   |

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