

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

**CLASS: MBA
BRANCH: MANAGEMENT**

**SEMESTER : IV
SESSION : SP/2024**

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
Q1(a)	Define a company and outline its main characteristics distinguishing it from partnership.	[5] 1	1
Q1(b)	ABC limited was registered with an authorized capital of 100000 shares of Rs. 100 each. 80000 shares were issued to the public. The public subscribed for 60000 shares. The company called up Rs. 8 per share. All the money called up was duly received with exception of a call of Rs. 2 per share on 500 shares. Show the amounts of various types of capital in the balance sheet.	[5] 1	2
Q2(a)	What do you mean by debenture? Explain its different classes.	[5] 2	2
Q2(b)	Pass the journal entries of issues of debenture.	[5] 2	2
Q3(a)	What is "Profit Prior to and Post Incorporation"?	[5] 3	3
Q3(b)	What do you understand by Under Writing Agreement?	[5] 3	2
Q4(a)	Define goodwill? Explain the various methods of valuation of goodwill.	[5] 4	2
Q4(b)	XYZ Co. Ltd. Decided to purchase the business of ABC Co. for Rs. 200000 on 1 st January 2006. Its profits for the last four years are as under: 2002- Rs. 50000, 2003- Rs. 62500, 2004- Rs. 60000 and 2005- Rs. 57500. The business was looked by the owner, the remuneration from alternative employment if not engaged in the business, for the owner, comes to Rs. 7500 p.a. Find out the amount of goodwill if it is valued on the basis of three years' purchase of the average net profit of the last four years.	[5] 4	4
Q5(a)	Write the Accounting entries in the books of vendor company in case of Amalgamation by net payment method?	[5] 5	4
Q5(b)	How do you calculate Minority Interest and Cost of Control in case of Holding Company?	[5] 5	5

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