138477

SDCBB303

III Semester B.B.A. Degree Examination, December/January - 2025/26
(SEP Scheme 2024)
BUSINESS ADMINISTRATION
Corporate Accounting and Reporting

Time : 3 Hours **Maximum Marks : 80**

Instructions :

Answers should be written in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries 2 marks. (5×2=10)

1. a) Mention the methods of valuation of Goodwill.

   b) Given closing capital employed Rs.5,00,000 and Net Profit for the current year is Rs. 2,25,000. What is average capital employed?

   c) What do you mean by unclaimed dividend?

   d) What do you mean by cash flow from financing Activities?

   e) What is CSR?

   f) What is Robotic process Automation?

   g) List any two characteristics of a good corporate financial Report.

SECTION - B

Answer any Three questions. Each question carries 6 marks. (3×6=18)

2. State the heading under which the following items shown in the balance sheet of the company.
   a) Sundry Debtor
   b) Sinking fund
   c) Interest occured on investment
   d) Out standing expenses
   e) Bank over draft
   f) Proposed dividend.

3. From the following profit and loss A/c, you are requested to compute cash flow from operations.

NEW HORIZON COLLEGE LIBRARY KASTURINAGAR BANGALORE-43

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Profit and Loss A/c for the year ending 31-03-2025.

Particulars	Rs.	Particulars	Rs.
To Salaries	20,000	By Gross Profit	1,00,000
To Rent	4,000	By Profit on sale of Land	20,000
To Depreciation	8,000	By Income Tax Refund	12,000
To Loss on sale of Machinery	4,000		
To Good will written off	16,000		
To dividend Proposed	20,000		
To Tax Provision	20,000		
To Net Profit	40,000		
	1,32,000		**1,32,000**

4. From the Particulars Provided by Mr. Aryan a small business man. Calculate the value of Goodwill under Capitalization of average profit method:
   a) Capital Employed Rs. 8,00,000.
   b) NRR - 12%.
   c) Profit for 5 years.
      2021 - Rs. 1,00,000
      2022 - Rs. 1,20,000
      2023 - Rs. 1,10,000
      2024 - Rs. 1,30,000
      2025 - Rs. 1,40,000
5. Define Corporate Financial Reporting and Elaborate on any four characteristics of a Good Corporate Financial Report.
6. Briefly explain the benefits of AI in Accounting.

SECTION - C

Answer any Three questions. Each question carries 14 marks. **(3×14=42)**

7. Following are the balance sheet of KVS Ltd., as on 31st March 2025. You are required to do the final accounts of the company after taking additional information into consideration.

Particulars	Rs.	Particulars	Rs.
Premises	30,72,000	Share Capital	40,00,000
Plant	33,00,000	12% Debenture	30,00,000
Opening Stock	7,50,000	P and L A/c	2,62,500
Debtors	8,70,000	Creditors	7,70,000
Goodwill	2,50,000	Sales	41,50,000
Cash and Bank	3,88,500	General reserve	2,50,000
Calls in Arrears	75,000	Discount Received	35,000

NEW HORIZON COLLEGE LIBRARY KASTURINAGAR BANGALORE-43

Interim dividend	3,92,500	
Purchases	18,50,000	
Preliminary Expenses	50,000	
Wages	9,79,800	
General Expenses	68,350	
Salaries	2,20,250	
Bad Debts	21,100	
Debenture interest Paid	1,80,000	
	1,24,67,500	**1,24,67,500**

Adjustments:

i) Closing stock is valued at Rs. 10,50,000.
ii) Depreciate plant @ 15%.
iii) Write off Rs. 5,000 from Preliminary expenses.
iv) Transfer Rs. 25,000 to General reserves.

8. From the following Balance sheet of Nagesh Company Ltd., and additional information. Prepare a cash flow statement.

Liabilities	2023 (Rs.)	2024 (Rs.)	Assets	2023 (Rs.)	2024 (Rs.)
Share Capital	1,70,000	1,80,000	Plant and Machinery	99,000	92,200
Securities Premium	9,000	11,000	Building	1,38,000	1,61,000
Retained earnings	23,820	30,820	Land	10,000	12,000
Creditors	6,900	6,000	Stock	10,220	9,620
Provision for taxation	1,000	1,400	Debtor	8,600	7,600
Outstanding Salaries	2,000	1,400	Prepaid Expenses	720	800
Mortgage Loan	-	20,000	Cash	6,180	9,800
Debentures	60,000	42,400			
	2,72,720	**2,93,020**		**2,72,720**	**2,93,020**

Additional Information:

i) Building acquired during the year at a cost of Rs. 60,000.
ii) Dividend paid during the year Rs. 17,000.
iii) A sum of Rs. 11,000 was transferred to provision for taxation.

9. The B/S of Chandu Co. Ltd., as on 31.3.2025 is as under:

Liabilities	(Rs.)	Assets	(Rs.)
6,000 Pre shares of Rs. 100 each	6,00,000	Fixed assets	10,00,000
10,000 Eq. shares of Rs. 100 each	10,00,000	Stock	3,50,000
General Reserve	80,000	Debtors	4,50,000

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General Reserve	80,000	Debtors	4,50,000

P/L A/c	1,60,000	Cash at bank	2,00,000
S. Creditors	1,60,000		
	20,00,000		**20,00,000**

The profit of the company (before providing for tax 40%) and the rate of dividend declared in respect of the last 5 financial year are as follows:

Year	Profit	Rate of dividend
2020-21	2,70,000	8%
2021-22	3,10,000	10%
2022-23	3,40,000	12%
2023-24	3,30,000	15%
2024-25	3,60,000	15%

You are required to find out the value of Goodwill of the company on the basis of

a) 5 years purchase of super profits.
b) Capitalization of super profit method.
c) As per annuity of super profit taking P.V of annuity of Rs. 1.00 for 5 years at 10% is as 3.78.

10. Describe the role and Significance of the auditor's Report in corporate financial reporting.

11. Discuss the role of AI in payroll and HR accounting. How does it contribute to reducing errors and ensuring compliance?

SECTION - D

Answer any One out of Two questions. **(1×10=10)**

12. a) Mr. Anthony has been doing business, Intends to sell his business on 1-4-2025. From the following particulars ascertain the amount of Goodwill based on 3 years purchase of average profits of last 4 years. The profits during 4 years were as follows:

2021-22 - Rs. 2,00,000
2022-23 - Rs. 2,40,000
2023-24 - Rs. 3,00,000
2024-25 - Rs. 3,60,000

At the time of acquisition of business, the buyer was employed as manager of similar business on a salary of Rs. 6,000 per month. The profits of 2024-25 include income from investment of Rs. 20,000. The Profits of 2021-22 were reduced by Rs. 60,000 being loss on speculation. Similarly, in 2023-24. Profits were reduced by Rs. 1,00,000 due to loss from betting.

(OR)

b) What is Environmental, Social and Governance (ESG) Report? Explain its contents.
