

SRI VENKATESWARA UNIVERSITY: TIRUPATI**MINOR****SUBJECT : ACCOUNTANCY****w.e.f. AY 2023-24****COURSESTRUCTURE**

Year	Semester	Course	Title of the Course	No. of Hrs /Week	No. of Credits	Marks		
						Int.	Ext	Total
I	II	1	Financial Accounting	3	3	25	75	100
			Financial Accounting Practical Course	2	1	50	-	50
II	III	2	Advanced Accounting	3	3	25	75	100
			Advanced Accounting Practical Course	2	1	50	-	50
	IV	3	Corporate Accounting	3	3	25	75	100
			Corporate Accounting Practical Course	2	1	50	-	50
		4	Cost & Management Accounting	3	3	25	75	100
			Cost & Management Accounting Practical Course	2	1	50	-	50
III	V	5	Advanced Corporate Accounting	3	3	25	75	100
			Advanced Corporate Accounting Practical Course	2	1	50	-	50
		6	Managerial Accounting	3	3	25	75	100
			Managerial Accounting Practical Course	2	1	50	-	50

ACCOUNTANCY

(Minor)

SEMESTER – IV - W.E.F. – 2024-25

COURSE 3: CORPORATE ACCOUNTING

Theory

Credits: 4

3 (Theory) + 2 (Practical) hrs/week

Learning Objectives:

This course enables the student to develop awareness about corporate accounting in conformity with the provisions of company act.

Learning Out comes:

At the end of the course, the student will able to;

Understand the Accounting treatment of Share Capital and aware of process of book building, Demonstrate the procedure for issue of bonus shares and buyback of shares, Comprehend the important provisions of Companies Act, 2013 and prepare final accounts of a company with Adjustments, Participate in the preparation of consolidated accounts for a corporate group Understand analysis of complex issues, formulation of well-reasoned arguments and reaching better conclusions and Communicate accounting policy choices with reference to relevant laws and accounting standards.

Unit 1: Accounting for Share Capital:

Types of Share capital - Kinds of Shares – Types of Preference Shares – Issue of Shares at Par and at Premium –Forfeiture and Reissue of Shares (Problems only).

Unit2: Issue of Debentures and Issue of Bonus Shares :

Accounting Treatment for Debentures Issued at par / at a discount / at a premium and Repayable at Par and at a Premium -Issue of Bonus Shares - (Problems only).

Unit 3: Valuation of Goodwill:

Need and Methods - Average Profit Method, Super Profits Method – Capitalization Method and Annuity Method (Problems only).

Unit 4: Valuation Shares:

Need - Methods of Valuation - Net Assets Method, Yield Basis Method, Fair Value Method (Problems only).

Unit 5: Company Final Accounts:

Provisions of the Companies Act, 2013- Preparation of Final Accounts – Adjustments Relating to Preparation of Final Accounts – Profit and Loss Account and Balance Sheet – (Simple Problems only).

ACTIVITIES:

- Problem Solving Exercises
- Collect and fill the share application form of a limited Company
- Collect Prospectus of accompany and identify its salient features
- Collect annual report of a Company and List out its assets and Liabilities.
- Collect the annual reports of company and calculate the value of goodwill under different methods
- Powerpoint presentations on types of shares and share capital
- Group Discussion on problems relating to topics covered by syllabus
- Students can gather the data relating to accounting set up of some local firms.
- Assignments including technical assignments like working with Audit Company for observation and submit to the teacher a Report.
- Individual project work on identified real time situations with respect to preparation of company final accounts
- On practical aspects dealt with by an Auditor.

Reference Books:

1. Corporate Accounting: T.S.Reddy and Murthy, Margham Publications, Chennai.
2. Advanced Accounts: M C Shukla, T.S.Grewal and S C Gupta, S Chand Publications
3. Corporate Accounting: Haneef & Mukherji, Tata McGraw Hill Publications.
4. Corporate Accounting: R.L.Gupta & Radha Swami, Sultan Chand & sons
5. Corporate Accounting: P.C.Tulsian, S.Chand Publishers
6. Advanced Accountancy: Jain and Narang,, Kalyani Publishers
7. Advanced Accountancy: R.L.Gupta and M.Radhaswamy, SChand.
8. Advanced Accountancy: Chakraborty, Vikas Publishers
9. Corporate Accounting: S.N.Maheswari, S.K. Maheswari, Vikas Publishing House.
10. Advanced Accounts: M.C. Shukla, T.S.Grewal, S.C. Gupta, S. Chand & Company
11. Corporate Accounting: Umamaheswara Rao, Kalyani Publishers
12. Corporate Accounting: Dr Chanda Srinivas, Seven Hills International Publishers

Model Question Paper 2024-25

SEMESTER – IV

COURSE 3: CORPORATE ACCOUNTING

Time: 3 hrs

Max Marks: 75

Section A

Answer any Five of the following

5X 3=15M

1. X limited invited applications for 10,000 shares of ₹ 100 each payable, ₹ 25 on application, ₹ 35 on allotment and ₹ 40 on first and final call. Applications were received for all the shares. All money duly received. Give Journal entries.
2. Different types of Preference shares.
3. Different types of the Debentures.
4. Entries relating to issue of Bonus shares.
5. Different methods of valuation of Goodwill.
6. Different methods of valuation of shares.
7. Need for valuation of Goodwill.
8. Need for Valuation of Shares.
9. Proforma of preparation of company profit and loss account.
10. Write Adjusting entries
 1. Outstanding Salaries ₹ 3,000
 2. Prepaid insurance ₹ 2,000
 3. Commission received in advance ₹ 1,000

Section-B

Answer One Question from each unit

5X 12=60M

11. A Ltd. Invited applications for 10,000 shares of ₹ 100 each at a discount of 5% payable as follows: On application ₹ 25, on allotment ₹ 34, on first & final call ₹ 36. Applications were received for 9,000 shares and all of these were accepted. All moneys due were received except the first and final call on 100 shares which were forfeited. Of the forfeited shares, 50 shares were reissued at the rate of ₹ 90 as fully paid. Pass necessary journal entries in the books of the company.
12. A holds 100 shares of ₹ 10 each, he has paid ₹ 1 on application
B holds 200 shares of ₹ 10 each, he has paid ₹ 1 on application, ₹ 2 on allotment
C holds 300 shares of ₹ 10 each, he has paid ₹ 1 on application, ₹ 2 on allotment, ₹ 3 on first call they all fail
to pay the final call ₹ 4 each, immediately these shares were forfeited by the Board of Directors. The
forfeited shares were re-issued at ₹ 11 each as fully paid. Pass necessary journal entries.

13. Time x Ltd. ,issued 1,0008%debenturesof₹100each.Giveappropriatejournalentries in the books of the company, if the debentures were issued as follows:

- (1) Issuedatpar, redeemableatpar.
- (2) Issue data discount of 5% repayableatpar.
- (3) Issuedatapremiumof10%,repayableatpar.
- (4) Issuedatpar,redeemableatapremiumof10%.
- (5) Issuedatadiscountof5%,repayableatapremiumof10%.

14. Titicorn Co. Ltdhasresolvedtoutilize ₹ 5,00,000outofreserve fund indeclarationof Bonustoits

shareholders.Thebonus,however,istobeappliedtotheextentof ₹ 2,00,000 in payment of final call or ₹ 40 per share on 5,000 equity shares of ₹ 100 eachandtotheextentof₹3,00,000intheissue of30,000fullypaidbonusequityshares of ₹ 100 each to the existing shareholders. Give the journal entries necessary to give effect to the above resolution.

15. Followingdetailsareavailableaboutthebusiness ofSagarLtd.

- (i) Profits:2019-₹ 80,000:In2020 –₹1,00,000:In2021– ₹1,20,000;
- (ii) Non-recurringincomeof₹8,000;is includedintheprofitsof2020.
- (iii) Profitsof2019havebeenreducedby₹12,000becausegoodsweredestroyed by fire;
- (iv) Goodshave notbeeninsuredbut it isthought prudentto insuretheminfuture. The insurance premium is estimated at ₹ 800 per year.
- (v) Reasonableremunerationoftheproprietorofthebusiness is₹12,000per year but it has not been taken into account for calculation of above mentioned profits;
- (vi) Profitsof2021 include₹10,000incomeoninvestment.CalculateGoodwill onthe basis ofthree years purchase ofthe average profit of last three years.

16. The followingparticularsareaavailable inrespect ofthebusinesscarriedonbya trader:

- (a)Profitsearned:2019 -₹ 50,000;2020 -₹ 60,000;2021-₹55,000
- (b) Normalrateofprofit10%
- (c) Capitalemployment₹3,00,000
- (d) Presentvalueofanannuityofonerupee for fiveyears at10% is₹ 3.78.
- (e) The profits included non-recurring profits on an average basis of ₹ 4,000 out of whichit wasdeemedthat evenNon-recurringprofitshadatendencyofappearing at the rate of ₹ 1,000 P.A.

Youarerequiretocalculate Goodwill:

- (i) Asper Fiveyears purchaseofsuper profits
- (ii) AsperCapitalizationofsuperprofits
- (iii) Asperannuitymethod.

17.Fromthefollowinginformationcalculatethevalueperequityshare:

5,0008% preference sharesof₹100each	₹ 5,00,000
75,000equitysharesof₹ 10 each,₹ 8 persharepaidup	6,00,000
Expectedprofitsperyearbeforetax	2,80,000
Rateoftax	50%
Transfertogeneralreserveeveryyear	20%oftheprofit
Normalrateofearnings	10%

18. On 31-3-2022, the balance sheet of A Ltd. company disclosed the following position.

Liabilities	Amount	Assets	Amount
40,000, Equity shares of ₹ 10 each	4,00,000	Fixed assets	5,00,000
Reserve	90,000	Current Assets	2,00,000
Profit & Loss A/c	20,000	Good will	40,000
5% debentures	1,00,000		
Current Liabilities	1,30,000		
	7,40,000		7,40,000

- On 31-3-2022 the fixed assets were independently valued ₹ 3,50,000 and Goodwill at ₹50,000
- The net profits for 3 years were 2019-20 – ₹ 51,600; 2020-21 – ₹ 52,000; 2021-22 – ₹ 51,650 of which 20% was placed to reserve.
- The proportion being considered a reasonable rate of return is 10% compute the value of share
by
a. Net assets Method.
b. Yield Method.

19. Write a proforma of company Balance Sheet.

20. A Limited Company was registered with an authorised capital of ₹30,00,000 in equity shares of ₹ 10 each. The following is the list of balances extracted from its books on 31.12.2021.

	₹
Purchases	9,25,000
Wages	4,24,325
Manufacturing expenses	65,575
Salaries	70,000
Bad debts	10,550
Director's fees	31,125
Debenture interest paid	45,000
Preliminary expenses	25,000
Calls-in-arrears	37,500
Plant & Machinery	15,00,000
Premises	16,50,000
Interim dividend paid	1,87,500
Furniture and fittings	35,000
Sundry debtors	4,36,000
General expenses	84,175
Stock on 1.1.2021	3,75,000
Cash in hand	1,00,000
Goodwill	28,750
Cash at bank	1,99,500
Subscribed and fully called up capital	20,00,000
Profit & Loss A/c (Cr)	72,500
6% Debentures	15,00,000
Sundry creditors	2,90,000
Bills payable	1,67,500
Sales	20,75,000
General reserve	1,25,000

You are required to prepare statement of profit and loss for the year ended 31.12.2021 and the Balance Sheet as on that date, after making, the following adjustments.

Depreciate Plant and Machinery by 10%. Provide half years interest on debentures. Also write off preliminary expenses and make provision for bad and doubtful debts of ₹ 4,250 on sundry debtors. Stock on 31st December 2021 was ₹ 4,55,000.

SRI VENKATESWARA UNIVERSITY:TIRUPATI

ACCOUNTANCY

(Minor)

SEMESTER – IV - W.E.F. – 2024-25

COURSE 3: CORPORATE ACCOUNTING

Practical

Credits: 3

3 hrs/week

Lab Exercise:

- Preparation of Company Final Accounts, Creation of Company, Creation of Ledgers, Creation of Accounting Vouchers, Inventory Vouchers and display of Balance Sheet.
- Issue of Shares and Bonus Shares - Creation of Company, Creation of Ledgers, Creation of Accounting Vouchers, and display of concerned Ledgers using Accounting Software /Package or in MS Excel. .
- Issue of Debentures - Creation of Company, Creation of Ledgers, Creation of Accounting Vouchers, and display of concerned Ledgers using Accounting Software/ Package or in MS Excel.

MODEL QUESTION PAPER – INTERNAL
SEMESTER – IV
COURSE 3: CORPORATE ACCOUNTING

Time : 1½ Hrs

Max Marks 50

Answer any Two of the following

2 X 25 = 50 Marks

- 1.
- 2.
- 3.
- 4.
- 5.

SRI VENKATESWARA UNIVERSITY: TIRUPATI

ACCOUNTANCY

(Minor)

SEMESTER – IV - W.E.F. – 2024-25

COURSE 4: COST AND MANAGEMENT ACCOUNTING

Theory

Credits: 4

3 (Theory) + 2 (Practical) hrs/week

Learning Objectives:

The aim of this course is to expose the students to the basic concepts and the tools used in cost accounting.

Learning Outcomes:

At the end of the course, the student will be able to;

Understand various costing methods and management techniques, Apply Cost and Management accounting methods for both manufacturing and service industry, Prepare cost sheet, quotations, and tenders to organization for different works, Analyze cost – volume – profit techniques to determine optimal managerial decisions, Compare and contrast the financial statements of firms and interpret the results and Prepare analysis of various special decisions, using relevant management techniques.

Unit 1:

Introduction: Elements of Cost -Preparation of Cost Sheet (including problems)

Unit 2:

Material and Labour Cost: Techniques of Inventory Control - Stock levels– Valuation of Material Issues: FIFO - LIFO - Simple and Weighted Average Methods. Labour: Direct and Indirect Labour Cost – Methods of Payment of Wages- Incentive Schemes -Time Rate Method, Piece Rate Method, Halsey, Rowan Methods and Taylor Methods only (including problems)

Unit 3:

Job Costing and Batch Costing: Definition and Features of Job Costing – Economic Batch Quantity (EBQ) – Preparation of Job Cost Sheet – Problems on Job Costing and Batch Costing (including problems)

Unit 4:

Financial Statement Analysis and Interpretation: Financial Statements - Features, Limitations.Process of Financial Statement Analysis-Comparative Statement Analysis – Common Size Statement Analysis and Trend Analysis (including problems)

Unit 5: Marginal Costing: Meaning and Features of Marginal Costing – Contribution – Profit Volume Ratio- Break Even Point – Margin of Safety – Estimation of Profit and Estimation of Sales (including problems)

Activities:

- Debate on methods of payments of wages
- Seminars Problem Solving Exercises
- Seminar on need and importance of financial statement analysis
- Graphs showing the break even point analysis
- Identification of elements of cost in services sector by Visiting any service firm
- Cost estimation for the making of a proposed product
- Listing of industries located in your area and methods of costing adopted by them
- Collection of financial statements of any two organizations for two years and prepare a common Size Statements
- Collection of cost sheet and pro-forma of quotation
- Invited Lectures and presentations on related topics.
- Examinations (Scheduled and surprise tests)

Reference Books:

1. T.S. Reddy and Dr. Y. Hari Prasad Reddy, Cost Accounting Margam Publications.
2. S.P. Jain and K.L. Narang – Advanced Cost Accounting, Kalyani Publishers.
3. M.N. Arora – A test book of Cost Accounting, Vikas Publishing House Pvt. Ltd.
4. S.P. Iyengar – Cost Accounting, Sultan Chand & Sons.
5. Nigam & Sharma – Cost Accounting Principles and Applications, S. Chand & Sons.
6. S.N. Maheswari – Principles of Management Accounting, Sultan Chand & Sons.
7. I.M. Pandey – Management Accounting, Vikas Publishing House Pvt. Ltd.
8. Sharma & Shashi Gupta – Management Accounting, Kalyani Publishers.
9. Murthy & Guruswamy – Management Accounting, Tata McGraw Hill, New Delhi.
10. S.P. Gupta – Management Accounting, S. Chand Publishing, New Delhi.
11. Umamaheswara Rao and Ranganath, Cost Accounting, Kalyani Publishers.
12. Dr. V. Murali Krishna – Cost Accounting, Seven Hills International Publishers.

Model Question Paper 2024-25

**SEMESTER – IV
COURSE 4: COST AND MANAGEMENT ACCOUNTING**

Time: 3 hrs

Max Marks: 75

Section A

Answer any Five of the following

5X3=15M

1. Find Prime cost –
Materials used ₹ 10,000; Direct wages ₹ 6,000;
Direct expenses ₹ 3,000; Chargeable expenses ₹ 1,000
2. Elements of cost
3. Economic order quantity
4. Find out Total wages under Time rate and piece rate (with guaranteed) method.
Time allowed 20 hours, Time taken 14 hours, Hourly rate of wages ₹ 5.
5. Compute the economic batch quantity for a company using batch costing with the following information:
Monthly demand for the component- 2,000 units
Setting-up cost per batch - ₹ 120
Annual rate of interest - 6%
Cost of manufacturing per unit - ₹ 6
6. Features of Job costing
7. Need for financial statement
8. Current Assets and Current Liabilities
9. Contribution
10. Find Breakeven point when sales are ₹ 10,000; Fixed cost ₹ 4,000; Variable cost ₹ 5000.

Section-B

Answer any Five Questions

5X 12=60M

11. Mr. Gopal furnishes the following data relating to the manufacture of a standard product during the month of April 2023.

Raw material consumed	₹15,000
Direct labour charges	₹9,000
Machine hours worked	900
Machine hour rate	₹5
Administrative overheads	20% on works cost
Selling overheads	₹ 0.50 per unit
Units produced	17,100
Units sold	16,000 at ₹4 per unit

You are required to prepare a cost sheet

15. The information given below has been taken from the costing records of an engineering works in respect of job number 303.

Materials ₹ 4,010
 Wages: Dept. A – 60 hours at ₹ 3 per hour
 Dept. B – 40 hours at ₹ 2 per hour
 Dept. C – 20 hours at ₹ 5 per hour

Overhead expenses for these three departments were estimated as follows:

Variable overheads: Dept. A - ₹ 5000 for 5000 labour hours
 Dept. B - ₹ 3000 for 1500 labour hours
 Dept. C - ₹ 2000 for 500 labour hours

Fixed overheads: Estimated at ₹ 20,000 for 10,000 normal working hours

You are requested to calculate the cost of job 303 and calculate the price to give a profit of 25% on selling price.

16. The following information relates to the manufacturing of component Z – 10 in a cost centre.

Cost of materials – 10 paise per component

Operator's wages - ₹ 1.00 per hour

Machine hour rate - ₹ 2.00

Setting up time of the machine – 2 hours and 30 minutes. Manufacturing time – 12 minutes per component

Prepare cost sheet in columnar form showing both production and setting up costs – Total and per unit when a batch consists of (a) 10 components (b) 100 components (c) 1000 components.

17. The following are the income statements of X, Y, Z Co. Ltd for the years 2020 and 2021.

Prepare common-size income statement for the two years.

Trading and Profit and Loss Account

Particulars	2020 ₹	2021 ₹	Particulars	2020 ₹	2021 ₹
To Cost of Sales	2,40,000	3,50,000	By Sales	4,00,000	5,00,000
“Gross Profit c/d	1,60,000	1,50,000			
	4,00,000	5,00,000		4,00,000	5,00,000
To Operating Expenses:			By Gross profit b/d	1,60,000	1,50,000
Administration	25,000	30,000	By Interest on investments	20,000	50,000
Selling	15,000	20,000			
Distribution	10,000	10,000			
To Non-operating expenses:					
Finance	20,000	20,000			
Goodwill written off	10,000	---			
To Net Profit	1,00,000	1,20,000			
	1,80,000	2,00,000		1,80,000	2,00,000

18. From the following balance sheet extracts, compute trend percentages and comment on the liquidity position of X Ltd. You may take 2016 as base year.

Particulars	2016 ₹	2017 ₹	2018 ₹	2019 ₹	2020 ₹	2021 ₹
Stock	1,50,000	1,70,000	1,90,000	2,30,000	2,20,000	2,00,000
Debtors	1,40,000	1,20,000	80,000	90,000	1,00,000	1,00,000
Cash	60,000	50,000	50,000	60,000	90,000	1,00,000
Current liabilities	3,00,000	3,20,000	3,00,000	2,80,000	2,40,000	2,00,000

19. From the particulars given below calculate:

- Breakeven point.
- Profit or loss when sales are ₹12,000 and
- Sales required to earn a profit of ₹5,000

	Sales ₹	Profit/Loss(-) ₹
Period1	10,000	-500
Period2	14,000	1500

20. The statement of cost of a machine is as follows:

	₹
Materials	200
Labour	100
Variable expenses	50
Fixed expenses	75
Total cost	425
Profit	100
Selling price	525

The number of machines sold and made is 10,000

- Find out the break even point
- How many machines must be produced and sold if the price is reduced by ₹25 to realise the present amount of profit?

SEMESTER – IV
COURSE 4: COST AND MANAGEMENT ACCOUNTING

Practical

Credits: 1

2hrs/week

Lab Exercise:

- Preparation of Cost Sheet, Preparation of FIFO and LIFO Stores ledgers, using Accounting Software/ Package or in MS Excel.
- Computation of problems on Marginal Costing, BEP and BEP Chart in MS Excel.
- Preparation of Profit and Loss Account in Contribution, Calculation of BEP using Accounting Software/ Package or in MS Excel.
- Create Cost Centers; enable Godowns for Job Costing, Inventory control method using Accounting Software/ Package or in MS Excel.
- Calculation of Labour cost in MS Excel
- Financial statement analysis like Trend Analysis, Comparative statements and Common size statements with using Accounting Software/ Package or in MS Excel.

MODEL QUESTION PAPER – INTERNAL
SEMESTER – IV
COURSE 4: COST AND MANAGEMENT ACCOUNTING

Time : 1½ Hrs

Max Marks 50

Answer any Two of the following

2 X 25 = 50 Marks

- 1.
- 2.
- 3.
- 4.
- 5.