**Course: Corporate Accounting**

**Question 1. KIMS proposes to issue rights shares for ₹50 crores in order to expand their existing facility at Raipur. Enlist the process of issuing right shares.**

**Answer:**

**Introduction**

A rights share issuing is a process whereby the existing shareholders are invited to buy additional new shares in a company. This issuing gives the existing shareholders securities know as rights. With these rights, the shareholders can buy additional shares at a discounted price on a stated future date. Companies issue right shares mainly for growth and expansion purposes.

Due to the expansion of a company, company search for ways of capital expansion too, thus the company resorts to the issuing It is only half solved

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**Question 2. Muthoot Finance raises funds by issuing non-convertible debentures in order to obtain funds to provide loans to its customers. Explain the different methods of redemption.**

**Answer:**

**Introduction**

A non-convertible debentures is a debt instrument where the issuing firm cannot change them into either stocks or equity. Usually, big firms issue them to raise capital without giving them an option for conversion into equity. Generally, non-convertible debenturesare not secured with any collateral. Stakeholders can only

**Question 3**

**Kirloskar Enterprises provides the following information:**

**Capital employed ₹15 Lakhs; Rate of interest is 10%.**

**Profits after tax:**

**Year 1: ₹35000**

**Year 2: ₹25000**

**Year 3: ₹150000**

**Year 4: ₹520000**

**Compute the value of goodwill:**

**a. weighted average method for 3 years purchase**

**b. super profit method for 2 years purchase**

**Answer:**

(a.)

Weighted average method for 3 years purchase

A weighted average is the average of a data set that recognizes certain numbers as more important than others. Weighted averages are commonly used in statistical analysis, stock portfolios and teacher grading averages. It is an important tool in accounting for stock fluctuations, uneven or misrepresented data and ensuring similar data points are equal in the proportion