

B.COM. DEGREE END SEMESTER EXAMINATION - OCTOBER 2024**SEMESTER 3 : COMMERCE****COURSE : 19U3CRCOM10 : CORPORATE ACCOUNTING**

(For Regular 2023 Admission and Improvement/Supplementary 2022/2021/2020/2019/2018/2017/2016 Admissions)

Time : Three Hours

Max. Marks: 75

PART A**Answer any 10 (2 marks each)**

1. What is amalgamation adjustment reserve?
2. What is Consolidation of shares? Give example.
3. What is Buy back of shares?
4. Give any four items which are directly allocated to post-incorporation period
5. What is Syndicate Underwriting?
6. What is an Equity share?
7. What is a statement of affairs?
8. What is AS-14?
9. What is a non-current liability?
10. Who is a Contributory?
11. What is Capital Redemption Reserve?
12. What is capital reduction scheme ?

(2 x 10 = 20)**PART B****Answer any 5 (5 marks each)**

13. Following items appear in the trial balance of AB Ltd.as on 31,03,2018

1.40,000 equity shares of Rs 10 each	Rs 4,00,000
2.Capital Redemption Reserve	Rs 30,000
3. Plant Revaluation Reserve	Rs 10,000
4.Securities Premium Reserve	Rs 35,000
5.General Reserve	Rs 1,00,000
6.Surplus of statement of profit and loss A/c	Rs 50,000
7.Capital Reserve (including Rs 25,000 being profit on sale of Machinery)	Rs 75,000

The company decided to issue Bonus shares to its shareholders at the rate of one share for every four shares held.

Pass journal shares. It is desired that there should be minimum reduction in free reserves.

14. Distinguish between Internal Reconstruction and External Reconstruction.
15. Give Journal Entries for forfeited and reissue of forfeited shares
X Ltd. forfeited 100 equity shares of Rs.10 each held by Shree Ram on 15th December ,2017 for non-payment of First call of Rs.2 per share and the final call of Rs.3 per share. These shares were reissued to Ganga Ram on 25th December, 2017 at a discount of Rs.3.50 per share.
16. What is Liquidator's Final Statement of Account? Give its model form with imaginary figures.
17. Distinguish between amalgamation and acquisition.
18. A Ltd. has authorized capital of Rs. 50,00,000 divided into 1,00,000 equity shares of Rs. 50 each. The company issued for subscription 50,000 shares at a premium of Rs.10 each. The entire issue was underwritten as follows:
X – 30,000 shares (Firm underwriting – 5,000 shares)
Y – 15,000 shares (Firm underwriting – 2,000 shares)
Z - 5,000 shares (Firm underwriting – 1,000 shares)

Out of the total issue, 45,000 shares including firm underwriting were subscribed. The following were the marked forms.

X – 16,000 shares; Y – 10,000 shares; Z – 4,000 shares

Calculate the liability of each underwriter.

19. X Co. Ltd. Issued 50,000 Equity shares of Rs.10 each and 3000, 10% Preference shares of Rs.100 each, all shares being fully paid. On 31.3.08, Profit and Loss Account showed an undistributed profit of Rs.50,000 and General Reserve Account stood at Rs.1,20,000. On 2.4.08, the directors decided to issue 1500, 6% Preference shares of Rs.100 each for cash and to redeem the existing preference shares at Rs.105 utilizing as much as would be required for the purpose. Show the journal entries to record the transactions.
20. Anu and Radha working in partnership, registered a joint stock company under the same name of Anuradha Ltd. on 1.09.2017 to take over the business with effect from 01.04.2017 Profit and Loss account for the year ending 31.03.2018.

To salaries and wages	5000	By gross profit B/d	42000
To Debenture interest	2500		
To Depreciation	1000		
To Interest on purchase consideration (upto 30/09/2017)	5400		
To Directors fee	400		
To Preliminary expenses written off	500		
To Selling Commission	6000		
To Provision for taxes	2500		
To Dividend on equity shares	3000		
To Net profit	15700		
	42000		42000

Sale for the year totaled Rs. 1,12,500 out of which Rs. 75,000 related to the period from 01.09.2017 to 31.03.2018. You are required to prepare a statement showing profit prior to incorporation and profit after incorporation.

(5 x 5 = 25)

PART C

Answer any 3 (10 marks each)

21. a) What are the conditions or provisions in the companies Act for the redemption of preference shares?
b) What are the SEBI Guidelines for issue of bonus shares?
22. Hero india ltd. was registered with an authorised capital of Rs: 10,00,000 divided into shares of Rs: 10 each , of which 40,000 shares had been issued and fully paid .
The following was the trial balance extracted on 31-03-2016.

PARTICULARS	Dr	Cr
Opening Stock	1,86,420	
Purchases and Sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing Wages	1,09,740	
Manufacturing expenses	19,240	
Carriage Inwards	4,910	
18% Bank loan (secured)		50,000
Interest on bank loan	4,500	
Salaries	17,870	
Auditor's fees	8,600	
Director's remuneration	26,250	
Preliminary Expenses	6,000	
Freehold Expenses	1,64,210	
Plant and Machinery	1,28,400	
Furniture	5,000	

Loose Tools	12,500	
Debtors & Creditors	1,05,400	62,220
Cash in hand	19,530	
Cash at bank	96,860	
Advance payment of Tax	84,290	
Surplus A/c		38,640
Share Capital 1		4,00,000
	17,30,610	17,30,610

You are required to prepare a Statement of Profit and Loss for the year ended 31-03-2016 and a Balance Sheet of that date after taking into consideration the following adjustments .

- On 31st March 2016, outstanding manufacturing wages and outstanding salaries stood at Rs: 1,890 and Rs: 1,200. Respectively .On the same date , stock was valued at Rs: 1,24,840 and loose tools at Rs: 10,000.
- Provide for depreciation of Plant and Machinery at 15% and Furniture at 10% p.a.
- Write off 1/3rd of preliminary expenses .
- Make a provision for income tax @ 50%.
- The director 's recommended a dividend at 15% on equity shares after transfer of 5 % of net profit to General Reserve

23. The following is the summarized Balance Sheet of X Ltd. as on 31.03.2020.

Particulars	Rs.	Rs.
1. EQUITY AND LIABILITIES		
1) Shareholders' Funds:		
a) Share Capital (12000 shares of Rs. 500 each)		60,00,000
b) Reserves and Surplus		
Insurance Fund	1,30,000	
Reserve Fund	6,50,000	
Surplus A/C	20,000	8,00,000
2) Non- Current Liabilities		
a) Long term Borrowings (2,600 debentures of Rs. 500 each)		13,00,000
Workmen Savings Bank		4,00,000
3) Current Liabilities		
a) Trade Payables (Creditors)		5,00,000
Total		90,00,000
2. ASSETS		
1)Non- Current Assets		
a) Fixed Assets		
1) Tangible Assets		
Land & Building	27,20,000	
Plant & Building	30,00,000	
Furniture & Fittings	1,00,000	58,20,000
2) Intangible Assets		
Patents and Trade Marks		4,00,000
2)Current Assets		
a) Inventories (Stock)		20,00,000
b) Trade Receivables (Debtors)		6,00,000
c) Cash and Cash Equivalent (Cash)		1,80,000
Total		90,00,000

Y Ltd. agreed to take over X Ltd. on the following basis.

- Payment of cash at Rs.90 for every share in X Ltd.
- Payment of cash at Rs.550 for every debenture holder in full discharge of debentures.
- Exchange of 4 shares of Y Ltd. of Rs.75 each (quoted in the market at Rs.140 each) for every share in X Ltd.

Show the necessary ledger accounts in the books of X Ltd.

24. The position of Fear Ltd. on 31st March 2016 as follows:

Balance sheet as at 31st March 2016

PARTICULARS	NOTE NO.	AMOUNT
I. Equity and Liabilities		
1) Shareholders Funds		
Share capital (20,000 equity shares of Rs 100 each)		20,00,000
Reserves and Surplus(profit and loss account)		(9,70,000)
2) Share Application Money Pending Allotment		
3) Non Current Liabilities		
Long term borrowings(1000,16%Debentures of Rs 1000 each)		10,00,000
4) Current Liabilities		
Trade Payables(creditors)		5,00,000
Other current liabilities (outstanding interest on debentures)		1,20,000
TOTAL		26,50,000
II. ASSETS:		
1) Non current assets		
Fixed Assets:		
Tangible assets		20,00,000
2) Current Assets		
Inventories(stock)		2,50,000
Trade Receivables(debtors)		3,50,000
Cash and cash equivalents(Cash)		50,000
TOTAL		26,50,000

The fixed assets on the date were revalued at Rs 9,60,000, stock at 2,00,000 debtors at 2,30,000.

The following steps were taken with the approval of all concerned:

- The shares were subdivided into shares of Rs 5 each and 90% of the shares were surrendered.
- The total claim of the debenture holders were reduced to Rs 4,90,000 and in consideration of this, they were also allotted shares(out of the surrendered shares) amounting to Rs 2,50,000.
- The creditors agreed to reduce their claims to Rs 3,00,000, 1/3 of which was satisfied by the issue of equity shares out of those surrendered but not reissued were cancelled.

Draft journal entries and give the Balance sheet of the company after reconstruction.

25. A company went into liquidation. Prepare Liquidator's Statement allowing his remuneration 3% on amount realised from Assets and 2% on amount paid to unsecured Creditors. Share Capital consisted of 2,000 Preference Shares of Rs.100 each fully paid.
30,000 Equity Shares of 10 each fully paid.
4,000 Equity Shares of 10 each, 8 paid.
Assets realised 3,08,000 (excluding securities realised).
Secured Creditors (Security realised 54,000) 46,000. Unsecured Creditors 2,83,698 Preferential Creditors 8,000; Debentures having a floating charge on the Assets 1,00,000; Expenses of liquidation 3,000. A call of Rs 2 per share on partly pad up shares was made and duly paid except on 400 shares.

(10 x 3 = 30)