

S.NO: 124

BATCH: 87-2016

REG. NO.:

END OF SEMESTER EXAMINATIONS, APRIL / MAY - 2019
CORPORATE ACCOUNTS
SUBJECT CODE: 12UAC016 / 12UACC16

MAJOR: B.Com / B.com [CA],
TIME : 3 HOURS

SEMESTER : V
MAX. MARKS: 75

SECTION - A (10 X 1 = 10)

Answer All the questions:

1. What do you mean by issue of Shares at a Discount?
2. What is Forfeiture of Shares?
3. What are the profits available for Redemption of Preference Shares?
4. State any two reasons for the conversion of Sole Proprietorship or Partnership Concern to Limited Company.
5. What is Interim Dividend?
6. What is Contingent Liabilities?
7. What is Purchase Consideration?
8. State the methods of Computing Purchase Consideration.
9. Write the modes of winding up of a company.
10. Who are all List A and List B contributories?

SECTION - B (5 X 4 = 20)

Answer any Five questions:

11. J Ltd., invited applications for 10,000 shares of Rs.100 each, payable as follows; on application Rs.40; on allotment Rs.60. Applications were received for 15,000 shares. The directors made pro rata allotment. Excess application money was adjusted towards allotment. All the money due on allotment was received. Make the necessary journal entries in the books of J Ltd.
12. G Ltd had 250, 6% redeemable preference shares of Rs.100 each. The company decided to redeem the preference shares at a premium of 10%. The general reserve of the company showed a credit balance of Rs.3,00,000. The company decided to utilize 60% of the general reserve for the redemption of preference shares and to meet the balance from the proceeds of fresh issues of sufficient number of equity shares of Rs.10 each. The premium on redemption is to be met from the year's Profit & Loss Appropriation Account. Pass journal entries to record the above transactions.
13. M Ltd. was incorporated on 1.7.2015 to take over the business of V Ltd., as a going concern with effect from 1.4.2015. Their Profit & Loss Account for the year ended 31.3.2016 is as follows:

Particulars	Rs.	Particulars	Rs.
To Opening Stock	60,000	By Sales (upto 30.6.2015 Rs.50,000)	1,50,000
To Purchases	87,500	By Closing Stock	35,000
To Administration Expenses	9,000		
To Director's Fees	1,500		
To Selling Expenses	18,000		
To Audit Fees	500		
To Preliminary Expenses	1,500		
To Net Profit	7,000		
	1,85,000		1,85,000

Prepare a statement showing the profit earned prior to and after incorporation.

14. Give the format of the Balance Sheet of a Company as per Revised Schedule VI.

15. State the meaning of Amalgamation, Absorption and External Reconstruction.

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16. The books of S Ltd., contained the following balances as on 31.3.2014.

Particulars	Debit	Credit
Equity share capital (Rs.10 each)		12,00,000
Creditors		14,00,000
Patents and Trademarks	12,00,000	
Plant and machinery	4,00,000	
Stock	3,00,000	
Debtors	5,00,000	
Cash	12,500	
Preliminary Expenses	72,500	
Profit and Loss A/c	1,15,000	
	26,00,000	26,00,000

The patents and trademarks are considerably over valued. The company is also not in a position to raise any further capital. The following scheme of reconstruction has, therefore been framed. The company will go into voluntary liquidation.

- A new company SS Ltd., will be formed with an authorized capital of Rs.20,00,000 to take over the assets.
 - Liabilities will be discharged by the new company to the creditors by payment of 25 paise in a rupee in cash and 50 paise in a rupee by issue of 9% debentures.
 - 1,20,000 shares of Rs.1 each (Rs.5 per share paid) will be issued to the shareholders of S Ltd., the balance Rs.5 per share to be paid on allotment.
 - Expenses of liquidation amounting to Rs.17,500 will be paid by SS Ltd., You are required to prepare realization and shareholders ledger accounts in the books of S Ltd.,
17. "Internal Reconstruction is preferred by Companies over External Reconstruction"-Comment.
18. Mr. H is appointed as the liquidator of Z Ltd., in voluntary liquidation on 1.9.2015. On the date the Balance Sheet of Z Ltd., was as follows.

Capital and Liabilities	Rs.	Assets	Rs.
Share Capital	1,00,000	Machinery	25,000
Debentures	30,000	Leasehold properties	45,000
Bank Overdraft	18,000	Stock-in-Trade	7,000
Liabilities for Purchases	20,000	Book Debts	60,000
Provision for Bad Debts	10,000	Calls-in-arrears	5,000
		Cash in hand	5,000
		Profit and Loss Account	31,000
	1,78,000		1,78,000

The machinery is valued at Rs.60,000, the leasehold properties at Rs.73,000, stock - in - trade at Rs.2,000; bad debts are Rs.2,000, doubtful debts are Rs.4,000 estimated to realize Rs.2,000. The bank overdraft is secured by deposit of title of leasehold properties. Preferential are Rs.1,000. Telephone rent owing is Rs.80. Prepare Surplus A/c as per List II.

SECTION – C (3 X 15 = 45)

Answer any Three questions:

19. P Ltd., offered 1,00,000 equity shares of nominal value of Rs.10 each for public subscription at Rs.12. The amounts payable were: On application Rs.4.50 on allotment (including premium) Rs.4.50 and on first and final call Rs.3.

The actual subscription was only for 90,000 shares. All moneys payable by shareholders was received except for Mr. A who had taken 1,000 shares but failed to pay the final call. His shares were forfeited and reissued to Mr. B at Rs.6 each.

Show journal entries in the books of the company.

20. Explain the methods of Redemption of Debenture.

21. X Ltd., was registered with an authorized capital of Rs.6,00,000 in equity shares of Rs 10 each. The following is its Trial Balance on 31st March 2018

Particulars	Debit Balance	Credit Balance
Good will	25,000	-
Cash	750	-
Bank	39,900	-
Purchases	1,85,000	-
Preliminary Expenses	5,000	-
Share Capital	-	4,00,000
12% Debentures	-	3,00,000
P & L A/c (Cr)	-	26,250
Calls -in-Arrears	7,500	-
Premises	3,00,000	-
Plant & Machinery	3,30,000	-
Interim Dividend	39,250	-
Sales	-	4,15,000
Stock (1.4.2017)	75,000	-
Furniture & Fixtures	7,200	-
Sundry Debtors	87,000	-
Wages	84,865	-
General Expenses	6,835	-
Freight and carriage	13,115	-
Salaries	14,500	-
Directors fees	5,725	-
Bad Debtors	2,110	-
Debenture interest paid	18,000	-
Bills Payable	-	37,000
Sundry creditors	-	40,000
General Reserve	-	25,000
Provision of Bad debt.	-	3,500
	12,46,750	12,46,750

Prepare statement of Profit & Loss and Balance Sheet in proper form after making the following adjustments.

- Depreciate plant & machinery by 15%
- Write off preliminary expenses
- Provide for 6 months interest on debentures.
- Leave bad and doubtful debts provision at 5% on sundry debtors.
- Provide for income tax at 50%
- Stock on 31.03.2018 was Rs.95,000
- Provide for corporate dividend tax @ 17% <http://www.tnstudy.com>

22. Following are the Balance Sheet of S Ltd., and P Ltd., as on 31st March 2012.

Particulars	S Ltd.	P Ltd.	Particulars	S Ltd.	P Ltd.
Share capital (Rs. 10 each)	1,00,000	2,00,000	Fixed Assets	1,20,000	2,50,000
Reserve Fund	40,000	60,000	Loan to P Ltd.	10,000	-
Workmen Compensation Fund	10,000	-	Debtors (Including S Ltd. Rs.5,000)	-	20,000
Creditors (Including P Ltd Rs.5,000)	30,000	-	Debtors	30,000	-
Creditors	-	40,000	Stock	20,000	30,000
Loan from S Ltd	-	10,000	Cash at bank	-	10,000
	1,80,000	3,10,000		1,80,000	3,10,000

P Ltd. agreed to absorb S Ltd. on the following terms P Ltd. shall give 1 share of Rs.35 each for every 3 shares in S Ltd. Fraction of shares is to satisfy in cash, which is based on the market value of the shares, You are informed that stock of S Ltd. Includes stock worth Rs.15,000 purchased by them from P Ltd. Which was sold to them at a profit of 20% on cost. The shares of P Ltd are quoted in the market at Rs.45 per share. Open ledger accounts of S Ltd. and give journal entries in P Ltd. Draft the Balance Sheet of P Ltd. After the purchase of business.

23. Write the format of List-II and Liquidator's Final Statement of Accounts.
