

SI. NO: 299

BATCH: 87-2015

Reg. No.:

14

END OF SEMESTER EXAMINATIONS, NOVEMBER – 2017
CORPORATE ACCOUNTS
SUBJECT CODE: 12UACO16 / 12UACC16

MAJOR : B.COM. / B.Com. CA
TIME : 3 HOURS

SEMESTER : V
MAX. MARKS: 75

SECTION – A (10 X 1 = 10)

Answer All Questions:

1. What is 'Calls-in-arrear'?
2. What is forfeiture of shares?
3. What is preference share?
4. What is time ratio in the calculation of profit prior to incorporation?
5. What do you mean by Contingent Liability?
6. What is preliminary expense?
7. What are two types of reconstruction?
8. What is the difference between book value and fair value of an asset?
9. Who is liquidator?
10. Who are preferential creditors?

SECTION – B (5 X 4 = 20)

Answer Any FIVE Questions:

11. The following particulars relate to a limited company which went into voluntary liquidation:
Preferential creditors Rs.25,000, unsecured creditors Rs.58,000, 6% Debentures Rs.30,000. The assets realized Rs.80,000. The expenses of liquidation amounted to Rs.1500 and the liquidators remuneration was agreed @ 2.5% on the amount realized and 2% on the amount paid to unsecured creditors including preferential creditors. Prepare Liquidators Final Statement of Accounts.
12. A company wishes to redeem its preference shares amounting to Rs.1,00,000 at a premium of %% and for this purpose issued 5000 equity shares of Rs.10 each at a premium of 10%. The company has also a balance of Rs.1,00,000 on general reserve and Rs.50,000 on profit & loss account. Pass the journal entries.
13. Nathiya Ltd., has a credit balance on P&L a/c of Rs.3,00,000 on 1.4.2000 and the net profit for the year 2000-01 is Rs.30,00,000. It was decided that the following decisions be carried out regarding provisions, reserves and dividends:
 - i) General Reserve Rs.3,50,000
 - ii) Investment Allowance Reserve Rs.3,50,000
 - iii) Provision for taxation @ 50%
 - iv) Dividend equalization fund a/c Rs.2,00,000
 - v) Dividend on 10% preference shares of Rs.20,00,000
 - vi) Dividend at 15% on 3,00,000 equity shares of Rs.10 each fully paid.

You are required to give P&L Appropriation a/c and give journal entries for payment of dividend.

14. Define Share. Describe the various types of Shares.
15. Best Ltd invited applications for 50,000 equity shares of Rs.10 each payable as follows:
With application Rs.2, On allotment Rs.3, On first call Rs.2.50, On second & final call Rs.2.50
Applications totaled 47,000 shares. The Board of Directors accepted all the applications. Both calls were made. All the moneys were duly received. You are required to pass journal entries.
16. Explain the term 'Internal Reconstruction'.
17. Raman Ltd., agrees to purchase the business of K Ltd., on the following terms:
 - i) For each of the 10,000 shares of Rs.10 each in K Ltd. 2 shares in Raman Ltd. of Rs.10 each will be issued at an agreed value of Rs.12 per share. In addition Rs.4 per share cash also will be paid.
 - ii) 8% Debentures worth Rs.80,000 will be issued to settle the Rs.60,000 9% debentures in K Ltd.
 - iii) Rs.10,000 will be paid to wards expenses of winding up.

Calculate the purchase consideration.

18. Explain the term 'Amalgamation'.

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SECTION - C (3 X 15 = 45)**Answer Any THREE Questions:**

19. The Alfa Manufacturing Company Ltd was registered with the nominal Capital of 6,00,000 of Rs.100. The balances are

| | | | |
|--------------------------|----------|-------------------------------------|----------|
| Calls in arrear | 7,500 | Premises | 3,00,000 |
| Plant & Machinery | 3,30,000 | Interim Dividend paid in 1.8.96 | 37,500 |
| Stock on 1.1.96 | 75,000 | Fixtures | 7,200 |
| Sundry Drs | 87,000 | Goodwill | 25,000 |
| Cash in hand | 750 | Cash at bank | 39,900 |
| Purchases | 1,85,000 | Preliminary expenses | 84,865 |
| General expenses | 16,835 | Freight and carriage | 13,115 |
| Salaries | 14,500 | Directors fees | 5,725 |
| Bad debts | 2,110 | Bills Payable | 38,000 |
| Debentures interest paid | 9,000 | Subscribed and fully called capital | 4,00,000 |
| 6% Debenture | 3,00,000 | P & L (Cr) | 14,500 |
| S.Crs | 45,000 | Sales | 4,15,000 |
| General Reserve | 25,000 | Bad debts reserve (1.1.96) | 3,500 |

Prepare Final Accounts making the adjustments:

- a) Depreciate Plant & Machinery by 10%
 b) Write off Rs.500 from preliminary expenses
 c) Provide half years debenture interest due
 d) Leave bad and doubtful reserve @ 5%
 e) Closing stock Rs.95,000

20. Kala Ltd BAS on 31.03.2015 was as follows:

| Liabilities | Rs. | Assets | Rs. |
|------------------------------------|---------|----------------|---------|
| 10000 equity shares of Rs.100 each | 1000000 | Fixed assets | 800000 |
| Capital Reserve | 200000 | Current assets | 400000 |
| Bank loan | 200000 | Cash at bank | 200000 |
| Trade Crs | 300000 | P & L | 300000 |
| | ----- | | ----- |
| | 1700000 | | 1700000 |
| | ----- | | ----- |

Mala Ltd. was incorporated to take the fixed assets and 60% of the current assets at an agreed value of Rs.900000 to be paid as to Rs.7400000 in equity shares of Rs.10 each and the balance in 9% debentures. The debentures were accepted by bank in settlement of loan. Remaining Current assets realized Rs.90000. After meeting Rs.20000 expenses of liquidation, all the remaining cash was paid to the creditors in full settlement.

Give Journal Entries in the books of both the companies and Prepare BAS of Mala Ltd.

21. From the following particulars, ascertain profit prior to and after incorporation:

- a) Time ratio = 3 : 5 b) Sales ratio = 4 : 6 c) Gross profit = Rs.10,00,000
 d) Expenses debited to profit and loss a/c were:
- | | |
|-------------------------|-----------|
| Salaries | Rs.96,000 |
| General Expenses | Rs.12,000 |
| Discount on sales | Rs.40,000 |
| Advertisement | Rs.50,000 |
| Preliminary Expenses | Rs.70,000 |
| Rent and rates | Rs.15,000 |
| Printing and Stationary | Rs.65,000 |
- e) Incomes credited to profit and loss a/c were:
- | | |
|-------------------|-----------|
| Rent received | Rs.18,000 |
| Interest received | Rs.50,000 |

22. What do you mean by forfeiture and Reissue of share? Give the format entries.

23. Explain the accounting treatment of internal reconstruction when reducing the paid-up capital.
