

S.NO. 201

BATCH: 87-2014

Reg. No.

END OF SEMESTER EXAMINATIONS, APRIL/MAY - 2017

CORPORATE ACCOUNTS

SUBJECT CODE: 12UACO16/12UACC16

MAJOR: B.Com. / B.Com.16
TIME : 3 HOURS

SEMESTER : V
MAX. MARKS: 75

SECTION – A (10 X 1 = 10)

Answer ALL the Questions:

1. What is meant by allotment of shares?
2. What is a share?
3. Write short note on debentures.
4. Write a note on interest on own debentures.
5. What are the components of final accounts of a joint stock company?
6. What is managerial remuneration?
7. Write short note on amalgamation.
8. Write a note on purchase consideration.
9. Define internal reconstruction.
10. Write short note on surrendered shares.

SECTION – B (5 X 4 = 20)

Answer Any FIVE Questions:

11. Jahir Co., Ltd. issued 50,000 equity shares of Rs.10 each to the public on condition that full amount of shares will be paid in a lump sum. All these shares were taken up and paid by the public. Pass journal entries in the books of company when (a) Shares are issued at par (b) Shares are issued at a premium of 10% and (c) Shares are issued at a discount of 10%.
12. Kannan Ltd. purchased the business of Mani Bros. for Rs.54,00,000 payable in fully paid shares of Rs.100 each. What entries will be made in the books of Kannan Ltd., if such issue is (a) at par (b) at a premium of 20% and (c) at a discount of 10%.
13. Symcox Ltd. issued 75,000 equity shares of Rs.10 each and 5,000 Redeemable Preference shares of Rs.100 each all shares being fully called and paid up on 31.03.1992. Profit & Loss account showed undistributed profits of Rs.3,00,000 and General reserve stood at Rs.2,50,000. On 01.04.1992, the directors decided to redeem the existing preference shares at Rs.105 utilizing as much profits as would be required for the purpose. You are required to pass journal entries in the books of the company.
14. Explain the different methods of redemption of debentures.
15. From the following particulars, determine the maximum remuneration available to a full time director of a manufacturing company. The Profit & Loss account of the company showed a net profit of Rs.40,00,000 after taking into account the following items:

- a) Depreciation (including special depreciation of Rs.40,000) Rs.1,00,000.
 - b) Provision for income tax Rs.2,00,000.
 - c) Donation to political parties Rs.50,000.
 - d) Ex-gratia payment to a worker Rs.10,000.
 - e) Capital profit on sale of assets Rs.15,000.
16. What are the Salient features of purchase consideration?
17. A liquidator is entitled to receive remuneration @ 20% of the assets realized and 3% on the amount distributed among the unsecured creditors. The assets realized Rs.70,00,000 against which payment was made as follows:
- Liquidation expenses Rs.50,000.
- Preferential creditors Rs.1,50,000 and
- Secured creditors Rs.40,00,000; Unsecured creditors Rs.30,00,000.
- Calculate the total remuneration payable to the liquidator.
18. What do you understand by 'Consideration' and 'Sub division' of shares?

SECTION – C (3 X 15 = 45)

Answer Any THREE Questions:

19. Jackson & Co., Ltd. offered 25,000 shares of Rs.10 each to the public on the following terms:
- Rs.2.50 to be paid on application.
 - Rs.3.00 to be paid on allotment.
 - Rs.2.00 to be paid two months after allotment.
 - Rs.2.50 to be paid three months after the first call.
- The public applied for 22,000 shares which were allotted, the allotment taking place on 1st April 1998. All money due on allotment was received by 15th May 1998. Calls were duly made but a shareholder holding 500 shares failed to pay the calls. Make entries in the cash book and the journal. Also prepare ledger accounts and balance sheet.
20. Shewag Ltd., issued 8,000 9% Redeemable Preference Shares of Rs.100 each at par on 01.07.90, redeemable at the option of the company on or after 30th June 1996, partly or fully. Redemption were made out of profits as follows:
- i) 1,200 shares on 30th June 1996 at par
 - ii) 1,600 shares on 31st Dec. 1996 at 10% premium
 - iii) Remaining shares on 30th June 1997 at a premium of 5% by making a fresh issue of 40,000 equity shares of Rs.10 each at a premium of Re.1 each.
- On 30th June 1997, the company also decided to capitalize 50% of its capital redemption reserve by issuing bonus shares of Rs.10 each fully paid at a premium of Rs.2.50 per share. Pass necessary entries to record the above transactions.

1. Ashik 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 1998.

Debit	Rs.	Credit	Rs.
Goodwill	25,000	Share capital	4,00,000
Cash	750	12% debentures	3,00,000
Bank	39,900	P & L A/c (Cr)	26,250
Purchases	1,85,000	Sales	4,15,000
Preliminary expenses	5,000	Bills payable	37,000
Calls-in-arrears	7,500	Sundry creditors	40,000
Premises	3,00,000	General reserve	25,000
Plant & machinery	3,30,000	Provision for bad debts	3,500
Interim dividend	39,250		
Stock (01.04.97)	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		
Director's fees	5,725		
Bad debts	2,110		
Debenture interest paid	18,000		

Prepare Profit & Loss Account, Profit & Loss Appropriation A/c and Balance Sheet in proper form after making the following adjustments:

- Depreciate plant and machinery by 15%.
 - Write off Rs.500 from preliminary expenses.
 - Provide for 6 months interest on debentures.
 - Create bad and doubtful debts provision at 5% on sundry debtor.
 - Provide for income tax at 50%.
 - Stock on 31.03.1998 was Rs.95,000.
22. What do you understand by 'Intrinsic Value'? How is it computed?
23. What is liquidation? State the various modes of liquidating a company?
