

S.NO: 243

BATCH: 87-2016 REG. NO.:

END OF SEMESTER EXAMINATIONS, NOVEMBER - 2018
CORPORATE ACCOUNTS
SUBJECT CODE: 12UACO16 / 12UACC16

MAJOR: B.COM / B.Com. CA

SEMESTER : V

TIME : 3 HOURS

MAX. MARKS: 75

SECTION - A (10 X 1 = 10)**Answer All the questions:**

1. Define Authorised Capital.
2. Explain 'Forfeiture of Shares'.
3. Write short notes on Capital Redemption Reserve.
4. How do you calculate Time Ratio?
5. How is 'Provision for Tax' treated in the final account of a company?
6. What do you mean by Interim Dividend?
7. What is 'Pooling of Interest Method'?
8. Explain Absorption.
9. Write a note on voluntary winding up.
10. Who is called Contributory?

SECTION - B (5 X 4 = 20)**Answer any FIVE questions:**

11. D Ltd. forfeited 200 shares of Rs.10 each on which Rs.5 per share was received. All the shares were reissued at Rs.8 per share. Give journal entries.

12. Write a detailed note on Allotment of shares.

13. The following are the details taken from the records of B Ltd. on June 30, 2015.

- Equity shares (fully paid up) Rs.6,00,000
- Preference share (fully paid up) Rs.3,00,000
- General Reserve Rs.2,00,000
- Profit & Loss a/c (credit) Rs.1,25,000
- Share premium Rs.50,000

The company decided to redeem the preference shares at a premium of 10% out of its General Reserve and Profit and Loss a/c. Give journal entries relating to redemption of preference shares.

14. N 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 2000-2001 is Rs.30,00,000. It was decided that the following decisions be carried out regarding provisions, reserves and dividends.

- i. General reserve Rs.35,000
- ii. Investment Allowance Reserve Rs.3,50,000
- iii. Provision for taxation at 50%
- iv. Dividend equalization fund 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.

15. Explain the items which are to be shown in Profit and Loss Appropriation Account.

16. R Ltd. agrees to purchase the business of K Ltd. on the following terms.

- a. For each of the 10,000 shares of Rs.10 each in K Ltd. 2 shares in R 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.
- b. 8% debentures worth Rs.80,000 will be issued to settle the Rs.60,000 9% debentures in K Ltd.
- c. Rs.10,000 will be paid towards expenses of winding up. Calculate purchase consideration.

17. What are the objectives of amalgamation?

18. G Ltd. decided to reduce equity as well as preference share capitals which were subscribed by the public. Hence, the company resolved to reduce 20,000 equity shares of Rs.10 each fully paid to an equal number of shares as Rs.5 per share fully paid-up and 10,000 preference shares of Rs.10 each fully paid as Rs.6 per share fully paid up. Further the amount available is to be utilized for wiping out the accumulated losses of Rs.82,000, to write off goodwill to the extent of Rs.28,000, patents Rs.20,000 and preliminary expenses Rs.10,000. Pass journal entries to give effect to the above.

SECTION - C (3 X 15 = 45)

Answer any THREE questions:

19. On 1st April 2014, ABC Ltd. issued 1,00,000 equity shares of Rs. 10 each at Rs.12 per share payable as to Rs.5 on application, Rs.4 on allotment including premium and the balance on 1st June 2014

The lists closed on 12th April 2014 by which date applications for 1,40,000 shares had been received. Of the cash received, Rs.80,000 was returned and Rs.1,20,000 was applied to the amount due on allotment, the balance of which was paid on 19th April 2014. All shareholders paid the call due on 1st July 2014 with the exception of one allottee for 1,000 shares. These shares were forfeited on 30th November 2014 and reissued as fully paid at Rs.8 per share on 2nd January 2015. Pass journal entries in the books of ABC Ltd.

20. Pankaj Ltd. was registered on 1-7-1997 to acquire the running business of Suneel & Co., with effect from 1-1-1997. The following was the profit and loss account of the company on 31.12.1997.

Particulars	Rs.	Particulars	Rs.
To office expenses	54,000	By gross profit b/d	2,25,000
To formation expenses	10,000		
To stationery	5,000		
To selling expenses	60,000		
To directors' fees	20,000		
To net profit	76,000		
	2,25,000		2,25,000

You are required to prepare a statement showing profit earned by the company in the pre and post incorporation periods. The total sales for the year took place in the ratio of 1:2 before and after incorporation respectively.

21. The following is the trial balance of Lakshmi Co. Ltd. as at 31st March 2007

Particulars	Dr. (Rs.)	Cr. (Rs.)
Stock on 31.3.2006	75,000	---
Sales	---	3,50,000
Purchases	2,45,000	---
Wages	50,000	---
Discount	---	5,000
Furniture and fittings	17,000	---
Salaries	7,500	---
Rent	4,950	---
Sundry expenses	7,050	---
Profit and loss appropriation a/c on 31.3.2006	---	15,030
Dividends paid	9,000	---
Share capital	---	1,00,000
Debtors and Creditors	37,500	17,500
Plant and Machinery	29,000	---
Cash at bank	16,200	---
Reserve	---	15,500
Patents and trade mark	4,830	---
	5,03,030	5,03,030

Prepare trading account, Profit and loss account, profit and loss appropriation account for the year ended 31.3.2007 and Balance sheet at that date. The adjustments are.

- i. Stock on 31st March 2007 was value at Rs.82,000
 - ii. Depreciation on fixed assets at 10%
 - iii. Make a provision for income tax at 50% and corporate dividend tax.
22. Explain the various methods of calculating purchase consideration.
23. What is the 'Preferential payment with regard to company liquidation?'
