

Revision Paper (2017-18)

Class-B.Com-II

Subject: Corporate Accounting

Paper-BC-202

Time: 3 Hours

Maximum Marks: 80

Note: Attempt five questions in all, selecting at least one question but not more than two questions from any unit. All questions carry equal marks.

UNIT-I

1. A company was registered with a nominal capital of Rs. 6,00,000/- divided into shares of Rs. 10 each. It purchased a building from Z for Rs. 2,00,000/- payable in fully paid up shares. The remaining 40,000 shares were offered to the public payable as follows: Rs. 3 on application. Rs. 3 on allotment; Rs 2 on first call and Rs. 2 on final call. All the shares were subscribed and allotted. Rajesh who hold 400 shares failed to pay both the calls and his shares were forfeited. These were later reissued to Shyam at Rs. 8.50 per share as fully paid up. Record the above in the Company's Journal and prepare a Balance Sheet.
2. What is the explanation and accounting treatment of the following:
 - (a) Debenture issued at Discount, Payable at Premium.
 - (b) Issue of Debenture as collateral security.
 - (c) Loss on Issue of Debenture.
 - (d) Cum-interest and Ex-interest purchase of Debenture.
3. X Limited had the following balances:

	Rs.
Equity share capital (Rs.10)	1,00,000
1000, 8% Rs. 100 Redeemable	
Preference Shares	1,00,000
General Reserves	60,000
Profit and Loss A/c	40,000
Share Premium A/c	3,000

The company exercises its option to redeem the preference shares at 10% premium. For this purpose 5000 Right Shares of Rs. 10 were issued at 10% premiums which were fully paid at a time. The company had also Rs. 30,000 investments which were sold for Rs. 38,000. All payments were made except to holders of 50 shares who could not be traced.

The Directors then issued bonus shares to the then shareholders at the rate of 2 for 3 held at 5% premium.

Pass Journal entries assuring that Directors want that there should be minimum reduction in few reserves.

4. The profit of a company during the last four years were Rs. 16,000, 28,000, 20,000, and 32,000 respectively. The capital employed is Rs. 2,00,000 and return in similar business is 10% on capital employed. Calculate goodwill by annuity method based on super profit. The present value of Rs. 0.282012 annuity for 4 years @ 5% return is Rs. 1

UNIT-II

5. (a) Distinguish between amalgamation in the nature of merger and amalgamation in the nature of purchase.

(b) Minority interest in case of Holding Company.

6. X Company has on 30th Sep 2011 an issued capital of 50,000 shares of Rs 100 each Rs 60 paid. Its reserves amount to Rs 40,00,000. The Z Company Ltd. takes over the business of the X Co. Ltd on 30th Sept, 2011 on the basis of allotment of one share in Z Co. for every three shares in X Co. Ltd. The share capital of Z Co. Ltd consists of 2,00,000 shares of Rs 100 each, Rs.70 paid up. The shares are quoted at Rs. 450 in the market. The reserves of Z Co. Ltd. were Rs. 1,00,00,000.

On 31st March, 2012, the share holders of the Z Co. Ltd were paid dividend for the whole of the year 2011-12 at the rate of Rs 40 per share.

Journalise the entries in the books of Z Co. Ltd assuming that fraction of share was paid in cash to the liquidators of X Co. Ltd for purchase consideration.

7. X Ltd. acquired 30,000 equity shares of Y Ltd. on 1st October, 1999 at Rs 4,00,000. On 31st March, 2000 the Balance sheet of the two companies appeared as follows:-

Liabilities	X Ltd	Y Ltd	Assets	X Ltd	Y Ltd
6 % Preference shares of Rs 100 each	-----	1,00,000	Building	5,00,000	2,50,000
Equity Shares Rs.10 each	12,00,000	5,00,000	Plant	4,50,000	2,25,000
General Reserve	3,00,000	1,50,000	Stock	3,00,000	1,40,000
P & L Account	2,00,000	1,20,000	Debtors	1,40,000	1,10,000
Creditors	3,30,000	80,000	Investment	2,30,000	----
			Bank and Cash Preliminary Expenses	4,00,000	1,85,000
				1,50,000	40,000
	20,30,000	9,50,000		20,30,000	9,50,000

There was a credit balance of Rs 30,000 in the P & L A/C of Y Ltd as on April 1, 1999. On the date of acquisition X Ltd. found the buildings of Y Ltd. overvalued by Rs 20,000 and the value of its plant at Rs 3,00,000 for which adjustment has not been done. The plant of Y Ltd. has been depreciated at 10% per annum. Prepare consolidated Balance Sheet.

UNIT-III

8. Write short notes on the following:-

- Bills for collection.
- Money at call at short notice.
- Bad debts and provision for Doubtful Debts.
- Reserve for unexpired risks.
- Non-Banking Assets

9. A company went into liquidation on 30th June. Its Balance sheet on that date is given below

Liabilities	Rs	Assets	Rs
Share Capital: 1,500 10% Non-cumulative preference Shares of Rs.100/- each.	1,50,000	Goodwill	50,000
1000(A) equity shares of 100 each Rs. 85 paid	85,000	Land and Building	1,00,000
1000(B) equity shares of Rs.100 each Rs. 50 paid.	50,000	Plant	25,000
Loan Secured by plant and Machinery Creditors	20,000	Stock	80,000
Creditors for Salaries and wages.	40,000	Debtors	48,000
Liability for workmen's compensation	6,000	Cash at Bank	30,000
	2,000	Profit and Loss A/c	20,000
	3,53,000		3,53,000

A liquidator was appointed with a remuneration of 2% on assets realized with the exception of cash and 2% of the amount distributed among unsecured creditors other than preferential creditors. The dividend on preference shares was in arrears for two years. Plant realized Rs 15,000 and other assets excluding cash realized Rs 1,60,000. The liquidation expenses amounted to Rs 2,600. Prepare liquidator's Final statement of account.

10. From the following information, prepare profit and loss account of Punjab Bank Ltd. for the year ended on 31st March, 2014.

Interest on Loans	2,56,000
Interest on Fixed Deposits	2,75,000
Commission	5,200
Establishment	54,000
Discount on bills Discounted	1,46,000
Interest on cash credit	2,23,000
Interest on Current accounts	42,000
Rates and Taxes	18,000
Interest on overdrafts	1,54,000
Director's Fees	3,000
Auditor's Fees	1,200
Interest on saving on Bank Deposits	68,000
Postage and Telegrams	1,400
Printing and Stationery	29,000
Sundry Expenses	1,700
Income from Investment	2,000
Profit on sale of Investments	4,000

Bad debts to be written off amounted to Rs.40,000 and provision for taxation may be made @ 55%