

B. Com-II
Corporate Accounting
Paper-BC- 103

Time :- 3 Hours

M.Marks 80

Note:-Attempt Five questions in all selecting at least One but not more than Two questions from each unit. All questions carry equal marks.

UNIT-I

1. Prepare in a summarised form the Balance Sheet of a Company as per Schedule III of Companies Act, 2013 taking imaginary figures..
2. The following particulars are available in relation to Bharat Ltd :-
 - (1) Capital: 450, 6% preference shares of `100 each fully paid and 4,500 equity shares of `10 fully paid.
 - (2) External Liabilities `7,500.
 - (3) Reserve and Surplus `3,500.
 - (4) The average normal profit (after tax) but before transfer to General Reserve i.e., 10% earned every year by the company is `8,505.
 - (5) The normal profit earned on the market value of equity shares, fully paid, of the same type of companies is 9 per cent.

Calculate the fair value of share assuming that out of the total assets worth `35 are fictitious.

3. What do mean by Redemption of Debentures? What are the sources of Finance for the Redemption of Debentures? Also explain the methods of redemption of debentures.
4. A Cotton Mill Company invited applications for 10,000 shares of `100 each at a premium of `10 each payable as follows:-

`50 on Application:

`35 on Allotment (including premium): and

`25 on Call.

Applications for 15,000 shares were received. Applicants for 2,500 shares did not get any allotment and their money returned. Allotment was made pro-rata to the remaining applicants.

Mr, A was allotted 400 shares. He failed to pay the amount due on allotment and call money. The company forfeited his shares and subsequently re-issued at `105 per share.

Show the Journal and Cash Book entries in the books of the company and also prepare the Balance Sheet.

UNIT-II

5. The following are the balance sheets of A Ltd. And B Ltd.

Particulars	A Ltd.	B Ltd.
1. EQUITY AND LIABILITIES:		
Shareholder' Funds :		
Equity Share Capital	1,00,000	60,000
Reserve Fund	26,000	
Statutory Reserve	8,000	
Dividend Equalisation Fund	4,000	
Profit & Loss	2,000	
Non- Current Liabilities		
10% Debentures of `10 each	20,000	
Employee's Provident Fund	3,000	
Current Liabilities		
Trade Payables	10,000	8,000
Total	1,73,000	68,000
11. ASSETS		
Non- Current Assets		
Buildings	30,000	
Machinery	1,10,000	50,000
Current Assets		
Inventories	16,000	8,000
Trade Receivables	14,000	9,000
Cash and Bank Balance	3,000	1,000

	Total	1,73,000	68,000
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The two companies agree to amalgamate and form a new company called C Co. Ltd. which takes over the assets and liabilities of both the companies.

The assets of A Co. Ltd. are taken over at a reduced valuation of 10% with the exception of buildings which are accepted at book value.

Both the companies are to receive 5% of the net valuation of their respective business as goodwill. The entire purchase price is to be paid by C Co. Ltd. in its fully paid up shares of `10 each. In return for debentures in A Co. Ltd., 12% debentures of the same amount are to be issued by C Co. Ltd.

Give journal entries and ledger accounts to close the books of A and B companies Ltd. and show the opening Balance Sheet of C Co. Ltd. whose authorized capital is `10,00,000 in shares of `10 each. Also give journal entries in the books of C Co. Ltd.

6. The following given are the balance sheets of H Ltd. and S Ltd. as at 31st March, 2021:-

Particulars	A Ltd.	B Ltd.
1. EQUITY AND LIABILITIES:		
Shareholder' Funds :		
Share Capital:- Shares of ` 20 each, fully paid	15,00,000	5,00,000
Reserves	1,50,000	75,000
Surplus (Profit & Loss)		(20,000)
Current Liabilities		
Trade Payables	2,25,000	1,60,000
Total	18,75,000	7,15,000
11. ASSETS		
Non- Current Assets		

Fixed Assets	12,00,000	6,50,000
Investments:-		
(17,500 shares in S Ltd. Acquired on 31 st March, 2021 at cost)	4,25,000	
Current Assets	2,50,000	65,000
Total	18,75,000	7,15,000

On 31st March, 2021 the fixed assets of S Ltd. were revalued at ` 6,75,000.

You are required to prepare the consolidated balance sheet of H Ltd and its subsidiary S Ltd. as at 31st March, 2021.

7. Differentiate the following :-

- (i) Amalgamation and Absorption.
- (ii) Internal Reconstruction and External Reconstruction.
- (iii) Holding Company and Subsidiary Company.

UNIT-III

8. A Ltd. went into voluntary liquidation on July 1, 2020. Its balance Sheet at that date was given below:-

Particulars	A Ltd.
1. EQUITY AND LIABILITIES:	
Shareholder' Funds :	
Share Capital:- 7,500, 10% Preference Shares of ` 10 each	75,000
12,500 Equity Shares of ` 10 each	1,25,000
Profit & Loss Balance	(5,000)
Non-Current Liabilities	
9% Debentures	50,000
Current Liabilities	
Creditors	30,000
Total	2,75,000

11. ASSETS	
Non- Current Assets	
Building	1,00,000
Plant	75,000
Current Assets	
Inventory	50,000
Trade Receivables	35,000
Cash at Bank	15,000
Total	2,75,000

The preference dividend were in arrear for two years. The arrears are payable automatically on liquidation. The liquidator sold the Building, Plant and Inventory for ` 2,20,000 and realized all amount from trade receivables except one of ` 5,000 which proved to be irrecoverable. He admitted the claim of all creditors, ` 3,000 of which were preferential. Expenses of liquidation amounted to ` 2,350 and debentures were repaid on 31st December, 2020. Liquidator's remuneration was 2.5% on assets realized except cash and 2% on the amount distributed to equity shareholders. Prepare the Liquidator's Final Statement of Account.

9. Give Specimen of Bank's Balance Sheet on the basis of imaginary figures according to Banking Companies Act.
10. Explain the following in brief:-
 - (i) Annuity.
 - (ii) Surrender Value.
 - (iii) Re-insurance Premium.
 - (iv) Re-insurance Recoveries.
 - (v) Commission on Re-insurance ceded.
 - (vi) Bonus in reduction of Premium.

