

Revision Paper (2022-23)
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. What is meant by buy-back of shares? Mention the conditions of buy back and the guidelines issued by SEBI in this respect.

2. Write a short note on the following:

- (a) Right Shares
- (b) Sweat Equity Shares
- (c) Sinking Fund
- (d) Capital Redemption Reserve

3. A Limited Company was registered with an authorized capital of 20,00,00 in Rs 10 shares, of these 60,000 share were issued as fully paid to the vendors for the purchase of buildings. 80,000 shares were subscribed for by the public and during the first year Rs 6 per share were called up, payable Rs 3 on applications 1 on allotment, Rs 1 on first call and 1 on second call.

The amounts received in respect of these shares were as follows:

On 60,000 shares the full amount called

On 12,000 shares Rs 5 per share

On 5,000 shares Rs 4 per share

On 3,000 shares Rs 3 per share

The director Rs forfeited 8,000 shares on which less than Rs 5 per share had been paid.

Show journal entries in the books of the company and also show the share Capital as it would appear in the Balance Sheet.

4. What do you mean goodwill valuation? Discuss the methods used for Goodwill valuation? Which method is the best in your opinion?

UNIT-II

5. What is Internal Reconstruction of Companies? What entries are made in the books of a Company in this connection?

6. Y Ltd Company having capital of 4,50,000 divided into 9,000 shares of 50 each.(40 paid up) and Reserve Fund of 90,000 was absorbed by X Ltd Company having a capital of

Rs12,00,000 divided into 40,000 shares of Rs 30 each (25 paid up) and Reserve Fund of 2,00,000 on the term that for every three shares partly paid at its original cost. Give the journal entries in the books of Transferee Company and prepare its Balance Sheet after absorption.

7. X Ltd. acquired 90,000 shares of Y Ltd. for Rs. 11, 20,000 on 31 August, 2015. On 31st March, 2016, the Balance sheet of the two companies appeared as follows:

Liabilities	X Ltd	Y Lt	Assets	X Ltd	Y Ltd
Equity Shares Rs.10 each	40,50,000	11,25,000	Fixed Asset	31,50,000	6,75,000
			Plant	4,00,000	3,15,000
			Fixtures Fitting	11,20,000	-----
General Reserve	7,20,000	1,80,000	Investment (in B Ltd)		
Surplus& L Account			Inventories	2,00,000	142,500
Balance as on 1.04.2015	72,000	22,500	Debtors	2,60,000	2,25,000
Profit for 2015- 16	2,88,000	90,000	B/R	2,50,000	1,00,000
			Cash at Bank	1,55,000	1,75,000
Current Liabilities					
Bills Payable	1,80,000	80,000			
Creditors	2,25,000	1,35,000			
	55,35,000	16,32,500		55,35,000	16,32,500

You are further informed that:

(I) There is no change in the balance of General Reserve since 31 March ,2015

- (II) On 21h January, 2016A ltd sold to B Ltd goods costing Rs 36,000 for Rs 48,000. 75% of these goods remained unsold with B Ltd in the end of the year. On account of these goods Trade Payable of B Ltd include 20,000 owing to A Ltd.
- (III) Out of this Acceptance of B Ltd Rs 60,000 are accepted in favor of A ltd .Out of these receivable. A Ltd endorsed Rs 42,000 worth bills to its Trade Payables.

Prepare consolidated Balance Sheet.

UNIT-III

8. Give a Performa of the Revenue Account of Life Assurance Company along with necessary schedules, with the help of imaginary figures.
9. A company went into voluntary liquidation on 30th March, 2022. Its Balance sheet on that date is given below

Liabilities	Rs	Assets	Rs
Share Capital: 15,000 6% preference Shares of Rs.100/- each fully paid up.	5,00,000	Non-Current Asset	
		Land and Building	2,50,000
2,500 equity shares of 100 each Rs. 75 paid	1,87,500	Plant& Machinery	6,25,000
		Patent	1,00,000
7,500 equity shares of Rs.100 each Rs. 60 paid.	4,50,000	Current Asset	
		Inventory	137,500
Profit and Loss Balance	(3,00,000)	Trade Receivable	2,75,000
		Cash at Bank	75,000
Non-Current Liabilities	2,50,000		
5% Mortgage Debenture	3,62,500		
Current Liabilities	12,500		
Creditors			

Interest Outstanding on Debenture			
	14,62,500		14,62,500

A liquidator was appointed with a remuneration of 3% on assets realized with the exception of cash and 2% of the amount distributed among unsecured creditors other than preferential creditors. Creditors include preferential creditors Rs 37,500 and a loan of Rs 1,25,000 secured by a mortgage on land and building. The dividend on preference shares was in arrears for two years. The assets were realised as follow:

Land and Building 3,00,000Rs

Plant& Machinery 5,00,000Rs

Patent75,000Rs

Inventory 1,50,000Rs

Trade Receivable 2,00,00Rs

The liquidation expenses amounted to Rs 27,250. Prepare liquidator`s Final statement of account.

10. From the following information, prepare profit and last account of Punjab Bank Ltd. for the year ended on 31st March, 2022.

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%.