

B.Com
Third Semester
Corporate Accounting
(BCM- 13)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20
Part-B (Descriptive)=50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

1. Answer the following questions (any five):

2×5=10

- (a) What do you mean by bonus shares?
- (b) What do you mean by issue of debentures as collateral security?
- (c) What is Sinking Fund?
- (d) What do you mean by redemption of debentures out of capital?
- (e) What do you mean by amalgamation?
- (f) Define the term 'Banking'.
- (g) Give the meaning of 'Deferred Tax Asset'.

Answer the following questions (any five):

3×5=15

- (a) Distinguish between bonus shares and right shares.
- (b) What are the different types of debentures from the point of view of priority?
- (c) What are the advantages of redemption of debentures in instalments?
- (d) State the statutory provisions relating to transfer of profits to reserves.
- (e) How would you deal with the following items while preparing the Final

Accounts of company?

(i) Corporation Dividend Tax (ii) Unpaid Dividend

- (f) Write short note on non-performing assets.
- (g) Explain any two methods of computing purchase consideration for amalgamation.

3. Answer the following questions (any five):

5 × 5 = 25

- (a) A Ltd. forfeited 1,000 share of Rs.10 each, Rs.7 called up, issued at a premium of Rs.20% (to paid at the time of allotment) for non-payment of a first call of Rs.2 per share. Out of these, 600 shares were re-issued as Rs.7 paid up for Rs.4 per share. Pass Journal Entries for forfeiture and re-issue of forfeited shares.
- (b) On 1st January, 2011, Shillong Ltd. issued 5,000, 6% Debentures of Rs.100 each at a discount of 10% repayable in 5 years by annual equal instalments. Give Journal Entries in the book of company on the date of issue. Show the accounting treatment of discount on debentures.
- (c) Show what entries would be made in each of the following:
- (i) 1,000 debentures issued of Rs.100 each are issued at a discount of 6% but redeemable at par.
 - (ii) 1,000 debentures of Rs.100 each are issued at a discount of 4% but redeemable at a premium of 5%.
- (d) Om Ltd. taken over by Syam Ltd. on the following terms and conditions:
- (i) The assets of Om Ltd. are valued at Rs.6, 80,000.
 - (ii) The liabilities of Om Ltd. are valued at Rs2, 30,000.
 - (iii) Rs.2, 40,000 in cash is paid to the shareholders of Om Ltd.
 - (iv) The balance of consideration is discharged by issue of shares of Rs.10 each at a premium of Rs.2 per share Show how the purchase consideration for amalgamation is discharged by Syam Ltd.
- (e) X Ltd. and Y Ltd. decided to amalgamated and new company XY Ltd. is formed to take over both the companies as on 31st March, 2013. The following are the Balance Sheets of the Companies as on the that date:

Particulars	Amount (Rs.)	
	X Ltd.	Y Ltd.
I. EQUITIES & LIABILITIES		
1. SHAREHOLDERS' FUNDS:		
(a) Share Capital:		
ISSUED & PAID UP CAPITAL		
Equity Shares of Rs.10 each fully paid	5,00,000	3,00,000
(b) Reserve & Surplus:		
Reserve fund	2,00,000	1,50,000
Dividend Equalisation Fund	-	1,00,000
Workmen Compensation Fund	20,000	-
Surplus (balance of Profit & Loss A/c)	30,000	50,000
2. Non-current liabilities		
Short Term Borrowings		
Bank Overdraft	-	50,000
3. Current Liabilities:		
Trade Payable:		
Sundry Creditors	1,00,000	1,20,000
Bills Payable	50,000	30,000
Total	9,00,000	8,00,000
II. ASSETS:		
1. Non-current Assets		
Fixed assets:		
Tangible Assets:	4,50,000	4,45,000
Intangible Assets:		
Goodwill	1,00,000	80,000
Patent and Trade marks	-	52,500
2. Current Assets:		
Inventory	2,00,000	1,50,000
Trade Receivable:		
Debtors	1,00,000	50,000
Bills Receivable	-	20,000
Cash and Cash Equivalent	50,000	2,500
Total	9,00,000	8,00,000

Prepare the amalgamated Balance Sheet of XY Ltd assuming amalgamation is done in the nature of purchase

(f) From the following extract of the Trial Balance of Om Company Lld. , prepare a Statement of Profit and Loss Account for the year ended 31-03-2013

Particulars	Rs.	Particulars	Rs.	Adjust
Calls in arrears	2,000	Sales	5,00,000	
Export Duty	3,800	Profit on consignment	13,000	
Wages	31,400	Apprenticeship premium	15,000	
Salaries	95,200	commission received	3,000	
Insurance	2,800			
Purchases	1,60,000			
General Expenses	6,900			
Opening Inventory	65,000			
Advertisement	1,000			
Audit Fee	700			
Interest on debentures paid	4,000			
	5,00,000			
Machinery				

Adjustments:

- (i) Closing inventory Rs.86,000
- (ii) Depreciate machine @ 10%
- (iii) Outstanding salary Rs.4,000
- (iv) Goods distributed as free samples Rs.1,000

(g) Distinguish between the Balance Sheet of Banking Companies and Non-banking Companies.

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(The figures in the margin indicate full marks for the questions)

Duration: 20 minutes

Marks – 20

PART A- Objective Type

Choose the correct answer from the following:

1 × 20 = 20

1. If a share of Rs.10 on which Rs.8 has been called and Rs.6 is paid is forfeited, the share capital account should be debited with
(a) Rs.10 (b) Rs.8 (c) Rs.6 (d) Rs.2
2. If the loss on reissue of shares is less than the amount forfeited, the surplus is transferred to
(a) nominal value of shares (b) called-up value of shares
(c) paid-up value of shares (d) market value of shares
3. The following conditions must be fulfilled before issuing bonus shares:
(a) There must be sufficient amount of undistributed profits and reserves
(b) The Articles of Association must permit such issue of Bonus Shares
(c) The company must also comply with Directives of the Central Government and the SEBI guidelines for issue of Bonus Shares
(d) All of these
4. As per SEBI guidelines, right issues should not be kept open for more than.....days.
(a) 30 (b) 60 (c) 90 (d) none of these
5. Debentureholders are
(a) the owners of the company (b) the vendors of the company
(c) the creditors (d) none of these
6. Debenture interest is paid
(a) at a pre-determined fixed rate (b) at a variable rate
(c) at a rate based on the net of the company (d) at a fixed rate to be determined by the Board of Directors according to situation
7. Premium on redemption of debenture is in the nature of
(a) Personal Account (b) Real Account (c) Nominal Account (d) None of these

8. When own debentures are cancelled, profit on cancellation is transferred to:
- (a) Profit and Loss Account (b) General Reserve
(c) Capital Reserve (d) Profit and Loss Appropriation Account
9. Live stock is treated as
- (a) current assets (b) current liabilities (c) Fixed assets (d) none of these
10. Revised Schedule VI does not contain the heading
- (a) Current liabilities (b) current assets (c) miscellaneous expenditure (d) none of these
11. Debenture issued by a company is shown under the head
- (a) Trade Payables (b) Short Term Borrowings
(c) Other Short-term Liabilities (d) None of these
12. Prepaid insurance is shown under the head:
- (a) Current Investment (b) Trade Receivable
(c) Short-term Loans and Advances (d) Other current assets
13. The Accounting Standard.....deals with 'Accounting for Amalgamations'
- (a) AS-14 (b) AS-21 (c) AS-27 (d) none of these
14. Amalgamation Adjustment Account is opened in the books of Transfer company, when the transferor is having
- (a) Statutory Reserve (b) General Reserve (c) Goodwill (d) None of these
15. The synergy effect of amalgamation is said to be achieved when the following objects are fulfilled
- (a) Avoidance of competition (b) Cost reduction (c) Financial Gain (d) all of these
16. Corporate dividend tax is shown under the head
- (a) Trade Payable (b) Other Current Liabilities (c) Short Term Provision (d) none of these
17. Banking companies are governed by the Banking Regulation Act.....
- (a) 1939 (b) 1949 (c) 1959 (d) none of these
18. None-banking Assets are shown in Schedule.....in the bank Balance Sheet
- (a) 8 (b) 9 (c) 10 (d) 11
19. Schedulerelates to
- (a) Capital (b) Deposits (c) Borrowings (d) none of these
20. The term 'banking' has been defined in Section.....of the Banking Regulation Act.
- (a) 5(a) (b) 5(b) (c) 5(c) (d) 5 (d)
