

BACHELOR OF COMMERCE (Hons)
SECOND SEMESTER
CORPORATE ACCOUNTING
BCM-202

Duration : 3 hrs.

Full Marks: 70

[PART-A: Objective]

Time : 20 min.

Marks : 20

Choose the correct answer from the following:

1X20=20

- Share Application Account is a
 - Nominal Account
 - Personal Account
 - Real Account
 - None of the above
- The balance in Shares forfeited account after forfeited shares are issued should be transferred to
 - General Reserve Account
 - Securities Premium Reserve Account
 - Capital Reserve Account
 - Share Capital Account
- ESOP stands for
 - Employee Stock Option Plan
 - Employee Stock Over Plan
 - Employee Stock Origin Plan
 - Employee Stock Outstanding Plan
- Which of the following statement is true?
 - Book Building is a price discovery process used in public issue of shares.
 - Book Building is a technique used for marketing a public offer of equity shares of a company.
 - A company can use the process of Book Building to fine tune its prices of issue.
 - All of the above
- Which of the following is a feature of One Person Company (OPC)?
 - One Person Company name does not end with Private Limited
 - More formalities are required to start an OPC
 - Section 2 (62) of the Company's Act 2013, OPC can be formed with 1 director and 1 member
 - A person who is a non-resident Indian is not eligible to start OPC
- Deficit i. e. loss disclosed by the Statement of Profit and Loss shall be shown as a negative figure under
 - Non-Current Liabilities
 - Current Liabilities
 - Non-Current Assets
 - Reserves and Surplus
- Which of the following is an example of Non-Current Investment?
 - Trade Investment
 - Investment in Mutual Fund
 - Investment in debentures
 - All of the above

8. Schedule III of Companies Act 2013 deals with
- | | |
|---|---|
| a. Items to be included under Notes to accounts | b. Forms prescribed for preparation of financial statements |
| c. Minute Books | d. Copies of Annual Reports |
9. Internal Reconstruction means
- | | |
|-------------------------|---|
| a. Increase in capital | b. Reduction in liability |
| c. Reduction of capital | d. Consolidation of part of its existing shares of smaller denomination |
10. Loss arises prior to incorporation is treated as
- | | |
|-----------------|---------------|
| a. Capital Loss | b. Gross Loss |
| c. Revenue Loss | d. Net Loss |
11. Which of the following statement is false related to profit prior to incorporation?
- | | |
|--|---|
| a. Time ratio is calculated by time factor | b. Profit prior to incorporation is treated as capital profit |
| c. Sales Ratio calculation is simple where turnover is spread during the whole financial period. | d. None of the above |
12. Reduction of share capital is possible by the company, if it is authorized by its:
- | | |
|-------------------------------|-----------------------|
| a. Articles | b. Special resolution |
| c. Confirmation of the court. | d. All of the above |
13. Accounting Standard (AS) 14 deals with
- | | |
|------------------------------------|-----------------------------------|
| a. Accounting for Foreign Exchange | b. Accounting for Amalgamation |
| c. Accounting for Investments | d. Accounting for Taxes on Income |
14. How many methods are there for calculation of purchase consideration
- | | |
|---------|----------|
| a. Two | b. Three |
| c. Four | d. Five |
15. B Ltd. is taken over by A Ltd. As per terms of amalgamation, the consideration for amalgamation is to be discharged on the basis of intrinsic value of shares of B Ltd. The share capital of B Ltd. consists of 20,000 equity shares of ₹ 10 each and the intrinsic value of equity share of B Ltd. is ₹ 15. What is the amount of amalgamation
- | | |
|---------------|---------------|
| a. ₹ 2,00,000 | b. ₹ 3,00,000 |
| c. ₹ 1,00,000 | d. ₹ 5,00,000 |
16. Which of the following is not a condition for amalgamation in the nature of merger
- | | |
|---|---|
| a. All assets and liabilities of the transferor company become the assets and liabilities of the transferee company | b. Business of the transferor company is not intended to be continued in future. |
| c. Genuine pooling of assets and liabilities took place | d. Shareholders holding 90% of the face value of the equity shares of the transferor company become |

equity shareholders of the transferee company.

17. Definition of Corporate Annual Report is provided under
- a. Companies Act 2013
 - b. International Financial Reporting Standards
 - c. American Accounting Association
 - d. None of the above
18. Directors Responsibility Statement is a constituent of
- a. Auditors Report
 - b. Report on Corporate Governance
 - c. Directors Report
 - d. Report on Corporate Social Responsibility
19. In India, annual e-filing by companies is done under the guidelines prescribed by
- a. Companies Act 2013
 - b. Ministry of Finance
 - c. Ministry of Corporate Affairs (MCA)
 - d. Income Tax Department
20. XBRL stands for
- a. Extensible Business Reporting Language
 - b. Exclusive Business Reporting Language
 - c. Extensible Business Recording Language
 - d. Exclusive Business Report Language

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(PART-B : Descriptive)

Time: 2 HRS 40 MINS

Marks : 50

[Answer question no.(1) & any four (4) from the rest]

1. a. What is calls in Arrear and Calls in Advance in relation to issue of shares by a company? 5+5=10
b. Mention five advantages of Bonus Issue by a company.
2. Shillong Offset Ltd. purchased a Printing Machine worth ₹ 4,95,000 from Kamrup Industries Ltd. and issued debentures to the vendors as purchase consideration. Pass journal entries in the following cases- 10
 - i. If 10% debentures of ₹ 100 each are issued to vendors at par.
 - ii. If 10% debentures of ₹ 100 each are issued to vendors at a premium of 10%
 - iii. If 10% debentures of ₹ 100 each are issued to vendors at a discount of ₹ 10%
3. Write the statutory provisions for preparation of Financial Statements of corporate entities as per Schedule III of Companies Act 2013. 10
4. Pantek Ltd., was registered on 01-07-2021 to acquire the running business of Suneel & Co., with effect from 1-1-21. The following was the Profit and Loss account of the company on 31-12-21 10

| Particulars | Rs. | Particulars |
|--|----------|---------------------|
| Rs. | | |
| To Office expenses | 54,000 | By Gross Profit b/d |
| 2,20,000 | | |
| To Formation expenses (written off) | 5,000 | |
| To Stationery & Postage | 5,000 | |
| To Selling Expenses | 60,000 | |
| To Director's Fees | 20,000 | |
| To Net Profit | 76,000 | |
| | 2,20,000 | |
| 2,20,000 | | |

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 ration 1:2 before and after incorporation respectively.

5. a. Mention the three forms of Internal Reconstruction. 3+7=10
b. L Ltd. has an issued capital of 6,000 equity shares ₹ 100 each, ₹ 80 called and paid up. Necessary formalities being complied with, the company decided to reduce the share of ₹ 100 to the share of ₹ 80 as fully paid up by cancelling unpaid amount of ₹ 20 per share. Pass necessary journal entries in the books of the company and show the share capital as it will appear in the balance sheet of the company after cancellation.
6. Write the differences between Amalgamation in the nature of Merger and Amalgamation in the nature of Purchase. 5+5=10
7. What are Mandatory and Voluntary Disclosures through Annual Report? Write about XBRL in brief. 6+4=10
8. What is Corporate Financial Reporting? Write the contents of an Annual Report. 2+8=10

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