B.Com. DEGREE EXAMINATION,ODD SEMESTER 2020
II Year III Semester
Corporate Accounting - I

Max.marks :25

Answer any **FIVE** questions $(5 \times 5 = 25)$ Marks

1. A Ltd. issued 2,000 shares of Rs.100 each at premium of 10% payable as follows: Rs.25 on application, Rs.35 on allotment (including premium), Rs.20 on first call, Rs.30 on final call.

   1,800 shares were applied for and allotted. All the money was received with the exception of first and final call on 200 shares held by R. These shares were forfeited. Give journal entries.

2. B Ltd. issued 1,50,000 equity shares. The whole of the issue was underwritten as follows: X 50% ; Y 25% and Z 25%

   Applications for the 1,20,000 shares were received in all, out of which applications for 30,000 shares are stamp of X, those for 15,000 shares that of Y and those for 30,000 shares that of Z. The remaining applications for 45,000 shares did not bear any stamp.

   Determine the liability of the underwriters.

3. A company has 10,000,9% redeemable preference shares of Rs.100 each fully paid. The company decides to redeem the shares on 31st Dec.2004 at a premium of 10%. The company makes the following issue:

   (1) 6,000 equity shares of Rs.100 each at a premium of 10%
   (2) 4,000 8% debentures of Rs.100 each.

   The issue was fully subscribed and allotments were made. The redemption was duly carried out. The company has sufficient profits. You are required to pass the necessary journal entries.

4. On 1-4-1997, R Ltd. issued 2,500 8% debentures of Rs.100 each at 5% discount. Holders of the debentures have to convert their holdings into equity shares of Rs.100 each at a premium of Rs.25 per share at any time within 3 years. On 31-3-98, holders of 500 debentures notified their intention to exercise the option.

   Show the necessary journal entries in the company books relating to issue and conversion of the debentures.

5. G Ltd. was registered on 1-7-97 to acquire the running business of Suneel & co. with effect from 1-1-97. The following was the Profit and Loss account of the company on 31-12-97.

Particulars	Rs.	Particulars	Rs.
To office expense	54,000	By gross profit b/d	2,25,000
To formation expenses (written off)	10,000		
To stationery & Postage	5,000		
To selling expenses	60,000		
To Directors fee	20,000		
To net profit	76,000		
	2,25,000		2,25,000

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 ratio 1:2 before and after incorporation.

6. The following is the balance sheet of NSC Ltd. as on 31st Dec 1998.

Liabilities	Rs.	Assets	Rs.
4,000 10% pref.shares of Rs.100 each	4,00,000	Sundry assets at book value	12,00,000
60,000 equity shares of Rs.10 each	6,00,000		
Bills payable	50,000		
creditors	1,50,000		
	12,00,000		12,00,000

The market value of 60% of the assets is estimated to be 15% more than the book value and that of the remaining 40% at 10% less than the book value. There is an unrecorded liability of Rs.10,000. Find the value of each equity share it is be assumed that preference shares have no prior claim as to payment of dividend or to repayment of capital.

7. Marshall Ltd. has share capital of Rs.5,00,000 divided into 5,000 shares of Rs.100 each, fully paid. Show the entries under each of the following conditions:
   (1) When Marshall Ltd. resolves to subdivide the shares into 50,000 shares of Rs.10 each fully paid.
   (2) When Marshall Ltd. resolves to convert its 5,000 shares of Rs.100 each into Rs.5,00,000 worth of stock.