

B.Com.(Hons) DEGREE EXAMINATION, ODD SEMESTER 2020
II Year III Semester
Corporate Accounting

Max.marks :25

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

1. Explain the different types of preference shares.
2. P Ltd. Issued 20,000, 10% debentures of Rs. 100 each for public subscription. The issue was under written as follows:
A - 20% B - 30% C - 30%
The company received total number of 14,000 application of which marked application were as follows:
A - 3,000 B - 4,000 C - 4,000
Determined liability of each of under writer.
3. A company issued 1,000, 8% debentures of Rs. 100 each. If the debenture were issued as follows.
 - a) Issued at Par, redeemable at Par
 - b) Issued at a discount of 5% repayable at Par
 - c) Issued at a premium of 10% repayable at ParPass journal entries.
4. Explain the various methods of valuation of shares.
5. S Ltd was incorporated on 1.7.2002 which took over the running business with effect from 1.1.2002. the sales for the period upto 1.7.2002 was Rs. 5,40,000 and sales from 1.7.2002 to 31.12.2002 amounted Rs. 6,00,000.
The expenses debited to profit and loss account included.
 - a) Directors fees Rs.15,000
 - b) Bad debts Rs.3,600
 - c) Advertisement Rs.12,000
 - d) Salaries and general expenses Rs.64,000
 - e) Preliminary expenses written off Rs.5,000
 - f) Donation to a political party given by the company Rs. 5,000
 - g) The gross profit for the period 1.1.02 to 31.12.02 Rs. 1,90,000

Ascertain the profit prior to incorporation.

6. Calculate the amount of Goodwill on the basis of three years purchase of the last four years average profits. The profits for the last four years of the firm were:

	Rs.
I year	10,000
II year	16,000
III year	6,000 (loss)
IV year	12,000

7. The issued share capital of a company was Rs. 10,00,000 consisting of 10,000 equity shares of Rs. 100 each. The Net profits for the last 5 years were: Rs. 1,00,000; Rs. 80,000; Rs. 1,20,000; Rs. 1,60,000 and Rs. 1,40,000 of which 20% was placed to reserve, the Industry in which the company is engaged and where a fair investment return may be taken at 12%. Compute the value of the company's share by the yield value method.