

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

Max.marks :25

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

1. Explain the provisions of the Companies Act regarding securities premium.
2. What are the merits of inflation accounting?
3. Ganesh Ltd. was registered on 1.7.1997 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 expenses	54,000	By Gross Profit	2,25,000
To formation expenses	10,000,		
To Stationary & Postage	5,000		
To Selling expenses	60,000		
To Director's Fees	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 of 1:2 before and after incorporation respectively.

4. Mohan Ltd. invited applications for 2,000 shares of Rs.100 each at a discount of 10% payable as follows:

On application Rs.25

On allotment Rs.30

On first and final call Rs.35

Whole of the issue was subscribed and paid for except the final call on 300 shares which were forfeited by the company after giving due notice. Pass forfeiture entry

5. X Ltd issued 1,000 8% debentures of Rs.100 each. Give appropriate journal entries in the books of the company, if the debenture were issued as follows
 - (i) Issued at discount of 5%, repayable at par
 - (ii) Issued at premium of 10%, repayable at par
 - (iii) Issued at par, redeemable at a premium of 10%

6. The profits of A Ltd. for the last 5 years were as follows

Year	Rs.
1994	15,000
1995	18,000
1996	22,000
1997	25,000
1998	27,000

Compute the value of goodwill of A Ltd. on the basis of 4 years purchase of weighted average profit after assigning weights 1,2,3,4 and 5 serially to the profits

7. Give the format of the statement of profit and loss as per revised schedule VI