

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

Max.marks :25

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

1. What is Human Resource Accounting? Explain its significance.
2. Nalli & Co. Ltd., was registered with an authorized capital of Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each. The company offered 12,000 shares to the public which were payable : Rs. 20 per share on application, Rs. 40 per share on allotment and Rs.40 on call. Applications for 18,000 shares were received on which the directors allotted as follows:
Application for 10,000 shares - full
Application for 5,000 shares - 2,000 shares
Application for 3,000 shares - Nil
The excess application money was adjusted towards allotment. All the money due on allotment and call was fully received. Make the necessary entries in the company's books.
3. Earth movers Ltd. issued 15,000 14% debentures of Rs. 100 each for public subscription, at a premium of 10% payable as to Rs. 30 on application, Rs. 50 (including premium) on allotment and the balance in one call.
25,000 applications were received. 4000 applications were rejected and debentures were allotted to the remaining applicants on pro-rata. Allotment amount was received from all the allottees one of whom paid the call amount due on his 1,000 debentures along with the allotment money. The call amount was also collected on the due date.
You are required to pass necessary entries in the company's books.
4. Determine the maximum remuneration payable to the part time directors and manager of Bharat Ltd.(a manufacturing company) under sections 309 and 387 of the companies Act 1956 from the following particulars:
Before charging any such remuneration, the profit & loss account showed a credit balance of Rs. 23,05,000 for the year ended 31st March 1998 after taking into account the following matters:

	Rs.
(i) Profit on sale of investments	2,05,000
(ii) Subsidy received from government	4,10,000
(iii) Loss on sale of fixed assets	65,000
(iv) Ex-gratia to an employee	30,000
(v) Compensation paid to injured workman	75,000
(vi) Provision for taxation	2,79,000
(vii) Bonus to foreign technicians	3,12,000
(viii) Multiple shift allowance	1,00,000
(ix) Special depreciation	75,000
(x) Capital expenditure	5,10,000

Company is providing depreciation as per Section 350 of the companies Act 1956.

5. From the following items found in the trial balance of a company on 31-12-2019 and the adjustments given there under, show how the items would appear in the relevant accounts:

Trial balance

Particulars	Rs.	Rs.
Advance tax paid (2018)	30,000	-
Provision for taxation (2018)	-	40,000
Tax deducted at source	5,000	-

Adjustments:

- (i) Income tax for 2018 has been assessed at Rs.50,000 against which the advance payment of tax and tax deducted at source are to be adjusted.
- (ii) Provide Rs.30,000 for taxation on current profits.
6. Manoj & Co. was formed to acquire the business of Shanti Prasad whose Balance Sheet was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	4,000	Land	24,000
Capital	80,000	Furniture	5,000
		Stock	39,000
		Debtors	9,000
		Bank	7,000
	84,000		84,000

The purchase consideration was agreed at Rs.1,00,000 which was to be paid as

- (i) 2,800 equity shares of Rs.20 each,
- (ii) Rs.34,000 in preference shares of Rs.100 each and
- (iii) the balance in cash.

The company raised further capital by issue of 7,500 equity shares of Rs.20 each payable Rs.10 on application and Rs.10 on allotment. After receipt of all the money for shares issued, the company purchased buildings worth Rs.80,000. Pass journal entries in the books of the company and prepare the Balance sheet.

7. The balance sheet of saraswati Co.Ltd. disclosed the following position as on 31st December 1998.

Liabilities	Rs.	Assets	Rs.
Share capital:		Goodwill	1,65,000
6,000 equity shares of Rs.100 each	6,00,000	Investments	5,25,000
Profit & loss A/c	75,000	Stock	6,60,000
General reserve	2,25,000	Sundry debtors	3,90,000
6% debentures	4,50,000	Cash at bank	60,000
Sundry creditors	1,50,000		
Workmens savings bank A/c	3,00,000		
	18,00,000		18,00,000

(i) The profits for the past five years were:

1994 Rs.30,000; 1995 70,000; 1996 Rs. 50,000; 1997 Rs. 55,000 and 1998 Rs. 95,000.

(ii) The market value of investments was Rs. 3,30,000.

(iii) Goodwill is to be valued at three years purchase of the average annual profits for the last five years.

Find the intrinsic value of each share.