18UBCCT3005

B.Com.(CS) DEGREE EXAMINATION, EVEN SEMESTER 2021.
II Year III Semester
Corporate Accounting - I

Max. Marks : 25

Answer any *FIVE* questions (5 * 5 = 25) Marks

1. Describe the sinking fund method of redeeming debentures in detail?
2. Explain the methods of valuation of shares?
3. B Ltd issued 1,50,000 equity shares. The whole of the issued 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 and the 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.
4. A company has 10,000 9% redeemable preference shares of Rs.100 each fully paid. The company decides to redeem the shares on 31st December 2014 at a premium of 10%. The company makes the following issues:

   (i) 6,000 equity shares of Rs.100 each at a premium of 10%

   (ii) 4,000 8% Debentures of Rs.100 each

   The issue was fully subscribed, and allotments was made. The redemption was duly carried out. The company has sufficient profit. You are required to give the necessary entries.
5. Moon Ltd issued 50,000 8% debentures of Rs.10 each to the public at par, to be paid Rs.4 on application and Balance on allotment. Application were received for 48,000 debentures, allotment was made to all the applicants and the amount due was received promptly. Give journal entries to record the transactions and show how they appear in the Balance sheet of the company.

6. Bharat Ltd., issued 1,50,000 equity shares. The whole of the issued 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 and the 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.
7. A firm earned net profits during the last three years as follows:
   I Year – Rs.36,000   II year - Rs.40,000   III – Year - Rs.44,000
   The capital investment of the firm is Rs.1,00,000
   A fair return on the capital, having regard to the risk involved is 10%
   Calculate the value of goodwill on the basis of 3 years purchase of super profits.