

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN**  
**(AUTONOMOUS)**  
**(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)**  
**Chromepet, Chennai — 600 044.**  
**BCOM.(BIM) END SEMESTER EXAMINATION APRIL/NOV - 2021**  
**SEMESTER - III**  
**18UBBCT3005 - Corporate Accounting**

<b>Total Duration : 3 Hrs</b>	<b>Total Marks : 75</b>
MCQ : 30 Mins	MCQ : 15
Descriptive : 2 Hrs.30 Mins	Descriptive : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Explain the various kinds of issue of shares.
2. Give the meaning and significance of HRA.
3. 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.

4. Mohan Ltd was registered on 1-7-98 to acquire the running business of Kapil & co., with effect from 1-1-98. The following was the profit and loss account of the company on 31-12-98.

<b>Particulars</b>	<b>Rs</b>	<b>Particulars</b>	<b>Rs</b>
To office expenses	54,000	By Gross profit B/d	2,25,000
To formation expenses	10,000		
To stationery	5,000		
To selling expenses	60,000		
To directors fees	20,000		
To Net profit	76,000		
	<b>2,25,000</b>		<b>2,25,000</b>

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.

5. 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:

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Before charging any such remuneration, the profit & loss account showed a credit balance of Rs. 23,05,000 for the year ended 31<sup>st</sup> March 1998 after taking into account the following matters:

	<b>Rs</b>
(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.

6. Average capital employed in Kausik Ltd. is Rs.35,00,000 whereas net trading profits before tax for the last three years have been Rs.14,75,000; Rs.14,55,000 and Rs.15,25,000. In these three years, the managing director was paid a salary of Rs.10,000 p.m. But now he would be paid a salary of Rs.12,000 p.m. Normal rate of return expected in the industry in which Kausik Ltd. is engaged is 18%. Rate of tax is 50%. Calculate goodwill on the basis of three years' purchase of the super profits.
7. The following information is given to you regarding X Ltd., for the financial year ended 31.03.2017.

	<b>1.4.2016 Rs.</b>	<b>31.3.2017 Rs.</b>
Monetary Assets	80,000	80,000
Monetary Liabilities	1,00,000	1,00,000
Retail price index	200	200

Ascertain gain or loss on monetary items.

8. Ramesh Ltd issued 1,50,000 equity shares. The whole of the issue was underwritten as follows:  
X- 50%, Y- 25%, Z- 25%

Applications for the 1,20,000 shares were received in all, out of which applications for 30,000 shares had 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.

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Section C

Answer any **THREE** questions ( $3 \times 10 = 30$  Marks)

9. Good prospects Ltd. issued 40,000 shares of Rs. 10 each at a premium of Rs. 2 per' share. The shares were payable as follows:  
Rs. 2 on application  
Rs. 5 on allotment (including premium)  
Rs. 5 on first and final call.  
All the shares were applied for and allotted. All moneys were received with the exception of the first and final call on 1,000 shares which were forfeited. 400 of these were reissued as fully paid at Rs. 8 per share.  
Give the necessary journal entries, prepare the bank A/c and the balance sheet of the company.
10. Hari Ltd., issued 6% debentures for Rs. 12,00,000 on 1.1.2014. It was provided in the debentures trust deed that the debentures are repayable at the end of 2016 with a premium of 10%. A Sinking fund was set up to provide cash for the redemption on the due date. The amounts set aside annually are to be invested in 5% government Bonds. Sinking fund table shows that 0.31720856 at 5% compound interest in 3 Years will become Re. 1.  
You are required to write the ledger accounts for all the three years in the Company's books. Calculations may be made to the nearest rupee.
11. On 31<sup>st</sup> Dec. 1998. The Balance sheet of a limited company disclosed the following position.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Issued Capital in Rs.10 shares	8,00,000	Fixed Assets	10,00,000
Profit & Loss A/c	40,000	Current Assets	4,00,000
Reserves	1,80,000	Goodwill	80,000
5% Dentures	2,00,000		
Current Liabilities	2,60,000		
	<b>14,80,000</b>		<b>14,80,000</b>

On Dec 31<sup>st</sup> 1998, the fixed assets were independently valued at Rs.7,00,000 and the goodwill at Rs.1,00,000. The net profits for the three years were:  
1996 - Rs.1,03,200; 1997 - Rs.1,04,000 and 1998 - Rs.1,03,300 of which 20% was placed to reserve, this proportion being considered reasonable in the industry in which the company is engaged and where a fair return on investment may be taken at 10%. Compute the value of the company's share by  
(a) the net assets method and  
(b) the Yield method.

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12. Golden co Ltd was formed on 1.4.97 with an authorized capital of Rs. 6,00,000 in shares of Rs. 10 each of these 52,000 shares had been issued and subscribed but there were calls in arrears on 100 shares. From the following trial balance as on March 31, 1998. Prepare Trading and Profit and loss account and Balance sheet.

	<b>Rs.</b>		<b>Rs.</b>
Cash at bank	1,05,000	Share capital	5,19,750
Plant	40,000	Sale of silver	1,79,500
Mines	2,20,000	Interest on F.D. up to Dec. 31	3,900
Promotion expenses	6,000	Dividend on investment	3,200
Advertising	5,000		
Cartage on plant	1,800		
Furniture	20,900		
Administrative expenses	28,000		
Repairs to plant	900		
Coal and oil	6,500		
Royalties paid	10,000		
Railway track and wagons	17,000		
Wages of miners	74,220		
Cash	530		
Investment- shares of tin mines	80,000		
Brokerage on above	1,000		
6% F.D. in syndicate bank	89,000		
	<b>7,06,350</b>		<b>7,06,350</b>

Adjustments:

- Depreciate plant and railways by 10%; furniture & buildings by 5%
- Write off a third of promotion expenses
- Value of silver ore on march 31, 1998 Rs. 15,000

The directors forfeited on Dec. 20, 1997, 100 shares on which only Rs. 7.50 had been paid.

13. Ascertain net monetary result or general price level gain or loss from the following information:

	<b>01.01.2018</b>	<b>31.12.2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Cash and bank balance	60,000	88,000
Accounts receivable	80,000	1,00,000
Accounts Payable	1,00,000	1,24,000
General retail price index number	100	125
Average index number for the year 120		