

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.

B.Com.(A&F) END SEMESTER EXAMINATIONS NOVEMBER -2023

SEMESTER - III

20UAFCT3005 - Corporate Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

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

1. On 1.1.2010, R Ltd., offers 10,000 shares of Rs.10 each payable as follows:
On Application Rs.3 per share
On Allotment Rs.2 per share
On First call Rs.3 per share
On Final call Rs.2 per share
All the shares are subscribed and amounts duly received. Give the journal entries.
2. X Ltd., acquired assets of Rs.5,00,000 and took over the liabilities amounted to Rs.50,000 at on agreed value of Rs.4,00,000 of Y Ltd., issued 12% Debentures at a discount of 20% full satisfaction of the purchase price. Show the entries.
3. Date of incorporation of the company – 1st July 2019, date of purchase of business 1st April 2019. End of the year 31st March 2020. Sales for the year Rs.4,20,000. The average monthly sales during post incorporation period was twice the average monthly sales of the pre incorporation period. Ascertain the value.
4. Compute the amount of goodwill on the basis of 2 years purchase of the last five years average profits. The profits for the last five year are 8,200: 10,500: 5,100: 12,000: 7,700.
5. SAN Company Ltd., passed resolution and received sanction of the court for the reduction of share capital by Rs.2,50,000. After the arrangement, the credit balance of capital reduction account was Rs.2,50,000. The amount available was utilized for write off profit and Loss a/c (Dr) 1,05,000 reducing the value of plant and Machinery Rs.45,000 Goodwill Rs.20,000 Investment Rs.40,000. The balance available would be transferred to Capital Reserve. Pass Journal entry.
6. How do you compute the adjusted time ratio?
7. S Ltd., Purchased a machinery for Rs.4,40,000 from S.K. & Sons. It issued equity shares of Rs.10 each fully paid up at a premium of 10%. Prepare the necessary Journal entries to record this transaction.

Contd...

8. Distinguish between Internal Reconstruction and External Reconstruction.

Section C

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

9. Little Angel Limited made an issue of 50,000 equity shares of Rs.10 each, payable Rs.5 on application (including Rs.2 as premium), Rs.4 on allotment and the balance towards first and final call. Applications were received for 65,000 shares. Application money received on 5,000 shares was refunded and allotments were made pro rata to the applicants of 60,000 shares. Excess money paid on application including premium was adjusted towards amount due on allotment. Ravi to whom 700 shares were allotted failed to pay the allotment money and his shares were forfeited by the directors on his subsequent failure to pay the call money. All the forfeited shares were subsequently sold to Vanaja credited as fully paid for Rs.9 per share. Prepare necessary journal entries to record the transactions.
10. Modern Fibers Ltd., has part of its share capital as 5,000 redeemable preference shares of Rs.100 each. When the shares became due for redemption the company decided that the whole amount will be redeemed out of a fresh issue of equal amount of equity shares of Rs.10 each. Show the journal entries of the books of the company.
11. From the following information you are required to prepare the P&L Account of the T.A.N.Bank for the year ended 31st March 2016, under the provisions of the Banking regulations Act.

Details	Rs.	Details	Rs.
Interest on loans	5,18,000	Rent, Taxes and Lighting	36,000
Interest on cash credits	4,46,000	Auditors fees	2,400
Interest on OD	1,08,000	Postage and telephone	2,800
Discount on bills	3,90,000	Advertisement	1,400
Commission and brokerage	16,400	Directors fees	6,000
Lockers rent	1,400	Printing and stationary	500
Transfer fees	700	Law charges	1,400
Interest on FD	5,54,000	Payment to employees	108,000
Interest on SB	2,20,000	Depreciation on bank's property	10,000
Sundry charges	2,000		

Additional information:

1. Rebate on bills discounted Rs.98,000.
2. Provide for Bad Debts Rs.58,000.

12. The following is the balance sheet of NCS Ltd., as on 31st Dec.1998.

Liabilities	Rs.	Assets	Rs.
4,000 10% pref. Shares of Rs.100 each	4,00,000	Sundry assets at book value	12,00,000
60,000 equity shares of Rs.10 each	6,00,000		
Bills payable	50,000		
Creditors	1,50,000		
	12,00,000		12,00,000

The market value of 60% of the assets is estimated to be 15% more than the book value and that of the remaining 40% at 10% less than the book value. There is an unrecorded liability Rs.10,000. Solve the value of each equity share (it is to be assumed that preference shares have no prior claim as to payment of dividend or to repayment of capital).

13. Following is the summarised balance sheet of Careless Ltd., as at 31st March 2016.

Liabilities	Rs.	Assets	Rs.
1,00,000 Equity shares of Rs.10 each full paid	10,00,000	Sundry assets	4,30,000
		P &L A/c	5,70,000
	10,00,000		10,00,000

The management of the company feels that the worst is over and adopts a scheme of reconstruction all the equity shares into an equal number of fully paid equity shares of Rs.4 each. Pass journal entries and assess the Balance sheet immediately after the reconstruction.
