

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. CS - END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - III

21UBCCT3005 - Corporate Accounting-I

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. ABC Company Limited issued 1,00,000 equity shares payable in fully paid shares of Rs.10 each at once. All these shares were subscribed to by the public. Prepare and Pass journal entries in the books of company assuming that (i) Share are issued at Par (ii) Shares are issued at a premium of 10 percent.
2. Explain The Cum-interest and Ex-interest in Debentures.
3. From the following details solve profit before and after incorporation
 - (a) Time Ratio - 3 : 4
 - (b) Sales Ratio - 2: 3
 - (c) Gross profit - Rs.5,00,000
 - (d) Expenses:

Salary	- Rs.96,000
Discount	- Rs.40,000
Rent	- Rs.15,000
General Expenses	- Rs.12,000
Advertisement	- Rs.50,000
Director fees	- Rs.18,000
4. Manju Ltd., had a share capital of Rs.7,00,000; divided into 1,00,000 equity shares of Rs.10 each, Rs.7 called and paid up. The company decided to cancel the un-aid amount of Rs.3 and there reduce the share capital to fully paid-up shares of Rs.7 each. Pass the journal entry for recording the transaction.
5. Timex Ltd, issued 1000 8% debentures of Rs.100 each. Give appropriate journal entries in the books of the company, if the debenture were issued as follows:
 - a. Issued at par, redeemable at par,
 - b. Issued at premium 10% repayable at par,
 - c. Issued at par, redeemable at a premium of 10%.Pass Journal Entries.

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6. Give the form of statement of profit and loss of a company as prescribed in PART II of Schedule III.
7. G Limited was formed with an authorized capital Rs.12,00,000 divided into equity shares of Rs.10 each, to acquire the business of A and B whose balance sheet on the date of acquisition as follows.

Liabilities	Rs.	Assets	Rs.
Capital	6,00,000	Free hold premises	7,00,000
General reserve	4,00,000	Stock	2,00,000
Sundry creditors	2,00,000	Sundry debtors 1,60,000	
		- Provision for bad debts 10,000	1,50,000
		Cash at bank	1,50,000
	12,00,000		12,00,000

The purchase consideration was agreed upon at Rs.14,00,000 to be paid in Rs.12,00,000 fully paid equity shares of Rs.11 and balance in cash. Prepare journals in the books of G limited.

8. The net profits earned by Mani & Co. during the last three years were: Rs.36,000; Rs.40,000; Rs.44,000. The capital employed by Mani & Co is Rs.1,00,000. Fair return of capital, considering the risk involved in 10%. Calculate the value of goodwill on the basis of three years purchase of super profit.

Section C

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

9. Ambassadors limited issued 2,000 shares of Rs.100 each at a premium of 10% payable as follows. Rs.25 on application and Rs.35 on allotment including premium, Rs.20 on first call, Rs.30 on second call. 1,800 shares were applied for and allotted. All money was received with the exception of first and final call on 200 shares held by Raghu. These shares were forfeited. Narrate the journals and balance sheet.
10. 'T' Ltd., issued 1,000 8% Debentures of Rs.100 each. Give journal entries in the books of the company, if the debentures were issued as follows.
- Issued at par, redeemable at par.
 - Issued at a discount of 5%, repayable at par.
 - Issued at a premium of 10%, repayable at par.
 - Issued at par, redeemable at a premium of 10%.
 - Issued at a discount of 5%, repayable at a premium of 10%.
11. Distinguish between Interim Dividend and Final Dividend.

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12. GANESH limited was registered on 1.7.1997, to acquire the running business of suneesh and company with effect from 1.1.97, the following was the profit and loss account of the company on 31.12.1997. Profit and loss account:

Debit	Rs.	Credit	Rs.
To office expenses	54,000	By gross profit b/d	2,25,000
To formation exp	10,000		
To postage and Stationery	5,000		
To selling exp	60,000		
To director 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 pre- and post-incorporation periods. The totalsales for the year took place the ratio of 1:2 before and after incorporation respectively.

13. The Balance Sheet of Senthil Electricals Ltd., as on 31st March 2016 as under;

Liabilities	Amount	Assets	Amount
5,000 8% preference shares of Rs.10 each	50,000	Goodwill	10,000
10,000 equity shares of Rs.10 each	1,00,000	Fixed assets	1,80,000
Reserves (including Provision for tax Rs.10,000)	1,00,000	Investments (5% govt. securities)	20,000
8% Debentures	50,000	Current Assets	1,00,000
Trade creditors	25,000	Preliminary expenses	10,000
		Discount on debentures	5,000
	3,25,000		3,25,000

The average profits of the company (after deducting interest on debentures and taxes) are Rs.30,000. The market value of machinery included in fixed assets is Rs.5,000 more than the book value. Expected rate of return is 10%. Calculate the goodwill of the company at 5 times of the super profit.
