

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. BIM - END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - III

**21UBBCT3005 - Corporate Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. Mr.Rajan is a shareholder in Kiran Ltd., Holding 2000 shares of Rs.10 each. He has paid Rs.2 and Rs.3 per share on application and allotment respectively. But failed to pay Rs.3 and Rs.2 for first and second calls respectively. Directors forfeit his shares. Show the Journal entry.
2. Explain the different types of Debentures.
3. The following are taken from the balance sheet of Raja Ltd., as on 31<sup>st</sup> December 2018.  
10,000 Equity shares of Rs 10 each Rs 1,00,000  
10,000, 8% preference shares of Rs.10 each Rs.1,00,000  
Capital Reserve Rs.50,000  
General Reserve Rs.30,000  
P & L A/c Rs.85,000  
The company redeems the preference shares on 1<sup>st</sup> January 2018. Prepare journal entries.
4. A company issued 2000, 6% Debentures of Rs.50 each. Illustrate journal entries if the debentures are
  - (i) Issued at par and redeemable at par
  - (ii) Issued at a discount of 10% and redeemable at par
  - (iii) Issued at a premium of 10% and redeemable at par.
5. What is 'Acquisition of Business'? Explain the methods of computing purchase consideration on acquisition of business'.
6. From the following balances, Prepare the Balance Sheet of a company in the prescribed format as per Revised Schedule VI, Part I of the companies act 1956.  
Goodwill Rs.1,50,000; Investment Rs.2,00,000; Share Capital Rs.5,00,000;  
Reserves Rs.1,10,000; Securities Premium Rs.15,000; Preliminary Expenses Rs.10,000;  
Profit and loss A/c (Cr) Rs.25,000; Debentures Rs.2,50,000. Other fixed assets Rs.4,70,000; stock Rs.80,000; Debtors Rs.60,000; Bank balance Rs.30,000; unsecured loan Rs.65,000; Sundry Creditors Rs.35,000.

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7. From the following information measure the value of goodwill on the basis of 3 years purchase of super profit.
- Average capital employed in the business is Rs.20,00,000
  - Rate of interest expected from capital having regard to the risk involved is 10%.
  - Net trading profits of the firm for the past three years were Rs.3,50,400; Rs.2,80,300; Rs.3,10,100.
  - Fair remuneration to the partners for their services is Rs.48,000 per annum.
  - Sundry assets of the firm are Rs.23,50,400 and current liabilities are Rs.95,110.
8. Ray Ltd., has an issued capital of Rs.5,00,000 in 50,000 shares of RS.10 each on which Rs.8 per share has been called up. The company now decides to reduce the share capital to share of Rs.8 each fully paid by cancelling the unpaid amount of Rs.2 per share. Justify the necessary journal entry.

### Section C

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

9. A Ltd., invited applications for 5,000 shares of Rs.100 each at a discount of 5% (Rs.5) payable as follows :
- On application Rs.25
  - On allotment Rs.34
  - On first and final call Rs.36.
- Application were received for 4,800 shares and all of these were accepted. All the moneys due were received except the first and final call on 300 shares which were forfeited. Of the forfeited shares, 200 shares were reissued @ Rs.90 as fully paid. Show necessary journal entries.
10. From the following particulars, solve Profit prior to and after incorporation.
- Time Ratio — 3 : 5
  - Sales Ratio — 4 : 6
  - Gross Profit — Rs.10,00,000

Expenses debited to Profit and Loss account were Salaries	96,000
General Expenses	12,000
Discount on sales	40,000
Advertisement	50,000
Preliminary expenses	70,000
Rent and rates	15,000
Printing and Stationery	65,000
Income credited to Profit and Loss account were :	
Rent received	18,000
Interest received	50,000

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11. Ascertain the format of statement of Profit and Loss as per Revised schedule VI.
12. The following is the Balance Sheet of Balan Ltd., on 31.12.2009.

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Equity shares of Rs.10 each	8,00,000	Fixed assets	10,00,000
P and L A/c	40,000	Current assets	4,00,000
Reserves	1,80,000	Goodwill	80,000
5% debentures	2,00,000		
Current liabilities	2,60,000		
	14,80,000		14,80,000

On 31.12.2009 the fixed assets were valued at Rs.7,00,000 and the goodwill at Rs.1,00,000, the net profit for the three years were : 2007 – Rs.1,03,200, 2008 – Rs.1,04,000, 2009 – Rs.1,03,300 of which 20% was placed to reserve and a fair return on investment may be taken at 10% compute the value of share of the company by

- (a) The Net asset method and  
(b) The Yield method.

13. The following is the balance sheet of S. Ltd., as on 31.3.2009.

	<b>Rs.</b>		<b>Rs.</b>
1,00,000 Equity shares of Rs. 10 each	10,00,000	Fixed Assets	10,50,000
1,00,000 7% preferred shares of Rs. 10 each	10,00,000	Goodwill	1,50,000
Creditors	2,00,000	Investments	2,00,000
		Debtors	2,50,000
		P and L A/c	5,50,000
Total	22,00,000		22,00,000

The board of directors passed the following resolutions:

- (a) Equity capital would be reduced by Rs.4  
(b) Preference shares reduced by Rs.3

It was further resolved that the amount so available would be used for writing off goodwill and debit balance of P/L A/c.

determine the Journal entries and conclude the revised B/S.

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