



22009140

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Reg No :

Name :

**B.A DEGREE (CBCS) PRIVATE (REAPPEARANCE) EXAMINATIONS,
NOVEMBER 2022**

Third Semester

B.COM

CORE COURSE - CO3CRT07 - CORPORATE ACCOUNTING I

2017-2019 ADMISSIONS

D29EE73B

Time: 3 Hours

Max. Marks : 80

Instructions: This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under Section II.

Section I

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is reserve capital?
2. What is meant by right shares?
3. What is cooling off period?
4. What are firm underwriting applications?
5. What is a current liability as per schedule III?
6. How will you apportion the following items? a) Electricity Charges b) Discount Received
7. What is unpaid dividend account?
8. How will you treat excess provision for tax in the previous year while preparing final accounts?
9. Define investments as per AS-13.
10. What do you mean by ex-interest?
11. Give journal entry of claim admitted on loss of fixed asset policy.





12. What is under-insurance? Illustrate with an example.

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. X Ltd. purchased assets of Y Ltd. for ₹ 1,50,000. the purchase consideration was agreed to be paid in terms of Equity shares of X Ltd. Journalise the transactions in the following cases (1) Shares issued at par ₹ 10 and (2) Shares issued at a premium of 10 % .
14. ABC Ltd. 4,000 10% redeemable preference shares of ₹ 10 each fully paid. The company decides to redeem the shares on 31st March 2017 at a premium of 5%. The company makes the following issues.
- 1,000 Equity shares of ₹ 10 each at a premium of 10 %
 - 1,000 9% debentures of ₹ 10 each

The issue was fully subscribed and all the amounts were received. The redemption was duly carried out. The company has sufficient profits. Give journal entries.

15. What are the circumstances that warrant the issue of bonus shares?
16. A Ltd. Issued 200000 debentures of Rs.100 each. 80 % of the issue was underwritten by B Ltd and in addition applied 25000 debentures firm. The company received 170000 marked applications. Determine the liability of B.Ltd and also calculate the commission payable to B Ltd.
17. From the following information, prepare statement of Profit and Loss for the year ended 31-03-2018

Particulars	Rs in lacs
Revenue from Operations	260
Other Income	6
Cost of Materials Consumed	50
Changes in Inventories	6
Employee Benefits Expense	10
Finance Costs	15
Depreciation and Amortization Expense	40
Other Expenses	90
Tax Rate @ 30%	





18. Anu and Radha working in partnership, registered a joint stock company under the name of 'Anuradha Ltd' on 01.09.2017 to take over the business with effect from 01.04.2017

Profit and Loss Account for the year ending 31.03.2018

To Salaries and wages	5,000	By Gross Profit b/d	
42,000			
Debenture interest	2,500		
Depreciation	1,000		
Interest on purchase consideration (upto 30.09.2017)	5,400		
Directors fees	400		
Preliminary expenses written off	500		
Selling commission	6,000		
Provision for taxes	2,500		
Dividend on equity shares @5%	3,000		
Net Profit	15,700		
	42,000		42,000

Sales for the year totalled Rs 1,12,500 out of which Rs 75,000 related to the period from 01.09.2017 to 31.03.2018. You are required to statement showing profit prior to incorporation and profit after incorporation.

19. Explain the legal provisions regarding payment of managerial remuneration u/s 197.

20. Mr. Hari had 12% Debentures of Face value Rs 100 of Chaturvedi Ltd. as current assets.

01.04.2017 : Opening Balance 4,000 Debentures costing Rs 98 each

01.06.2017 : Purchased 2,000 Debentures @ Rs 120 cum-interest

01.09.2017 : Sold 3,000 Debentures @ Rs 110 cum-interest

01.12.2017 : Sold 2,000 Debentures @ Rs 105 ex-interest

31.01.2018 : Purchased 3,000 Debentures @ Rs 100 ex-interest

31.03.2018 : Market value of investments @ Rs 105 each

Interest due dates are 30th June and 31st December. Mr. Hari closes his books on 31.03.2018. He incurred 2% brokerage for all transactions. Show Investment Account assuming FIFO Method.

21. What is average clause? When is it applied? Give an example.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.





22. The Balance sheet of Shawallace Ltd. as on 31st December 2017 was as follows:

Balance Sheet

Particulars	Rs
I. EQUITY and LIABILITIES:	
1. Shareholders Fund:	
a) Share Capital	
1,000 Redeemable Preference shares of Rs 100 each	1,00,000
2,000 Equity shares of ` 100 each	2,00,000
b) Reserves & Surplus	
General Reserve	80,000
Statement of Profit and Loss	50,000
2. Non-Current Liabilities	
3. Current Liabilities	
Trade Payables	75,000
Total	5,05,000
II. ASSETS	
1. Non Current Assets	
Fixed: Tangible Assets	3,65,000
2. Current Assets	
Cash and Cash Equivalents	1,40,000
	5,05,000

On this date preference shares were redeemed at par. Give Journal Entries and prepare the Balance sheet after redemption.

23. Following is the trial balance of DELL Ltd as at 31-03-2018.

Particulars	Dr (Rs)	Cr (Rs)
Stock (31-03-2017)	75,000	
Sales		3,50,000
Purchases	2,45,000	
Wages	50,000	
Discount		5,000
Furniture and Fittings	17,000	
Salaries	7,500	
Rent	4,950	
Sundry Expenses	7,050	





Surplus A/c		15,030
Dividends paid	9,000	
Share capital		1,00,000
Debtors and Creditors	37,500	17,500
Plant and Machinery	29,000	
Cash and Bank	16,200	
General Reserve		15,500
Patents and Trade Mark	4,830	
	5,03,030	5,03,030

Adjustments:

- a) Stock on 31-03-2018 is valued at Rs 82,000.
- b) Depreciation of fixed assets @10%.
- c) Make provision for income tax @50%.
- d) Ignore corporate dividend tax.

Prepare final accounts as per Schedule III of the Companies Act, 2013

24. Tandon carried out the following transactions in the shares of Bright Ltd.

- a) On 01.04.2017, he purchased 20,000 equity shares of Rs 1 each fully paid for Rs 30,000.
- b) On 15.05.2017, Tandon sold 4,000 shares for Rs 7,600.
- c) At a meeting on 15.06.2017, the company decided:
 - i) To make a bonus issue of one fully paid share for every four shares held on 01.06.2017; and
 - ii) To give its members, the right to apply for one share for every five shares held on 01.06.2017 at a price of Rs 1.50/share of which 75 paise is payable on or before 15th July, 2017 and the balance 75 paise per share, on or before 15th September, 2017.

The shares issued under (i) and (ii) were not to rank for dividend for the year ending 31.12.2017.

d) Tandon received his bonus shares and took up 2,000 shares under the rights issue, paying the sums thereon when due and selling the rights to the remaining shares at 40 paise/share; the proceeds were received on 30.09.2017.

e) On 15.03.2018, he received a dividend from Bright Ltd. of 15% in respect of the year ended 31.12.2017.

f) On 30.03.2018 he received Rs14,000 for the sale of 10,000 shares.

Prepare Tandon's investment account. Apply Average Cost basis. Expenses and tax to be ignored.

25. The premises of White Ltd. was partially destroyed by fire on 1st March, and as a result,





the business was practically disorganized upto 31st August. The company is insured under a loss of profits policy for ` 6,60,000, having an indemnity period of 6 months.

From the information given below, find out claim under the policy.

Particulars	
Actual turnover from 1st March to 31st August	3,20,000
Turnover from 1st March to 31st August (during the previous year)	9,60,000
Turnover from 1st March to 28th February (Previous year)	24,00,000
Net profit of previous financial year	3,60,000
Insured standing charges (Previous year)	2,40,000
Uninsured standing charges (Previous year)	20,000
Turnover for the last financial year	20,00,000

The company incurred additional expenses amounting to Rs. 40,000 immediately after fire, which reduced the loss in turnover. Otherwise turnover during the period of dislocation would have been only amounting to Rs. 2,20,000. The saving in insured standing charges in consequences of the fire amounted to Rs. 10,800. Adjustment of 10% to be made in respect of the upward trend in turnover. Assume that trend adjustment is required on total amount of annual turnover.

(2×15=30)

