

(i) Printed Pages : 7 Roll No.

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Bachelor of Commerce 2nd Semester
(2053)

CORPORATE ACCOUNTING

Paper : BCM-205

Time Allowed : Three Hours] [Maximum Marks : 80

Note :—(1) Attempt any **FOUR** questions from Section-A. Each question carries **5** marks.

(2) Attempt **TWO** questions each from Section-B and Section-C. Each question carries **15** marks.

SECTION—A

1. How to treat loss prior to incorporation in the books of account ?
2. What are own debentures ?
3. Ajanta Ltd. forfeited 500 shares of Rs. 10 each, Rs. 7.50 paid up for non-payment of final call of Rs. 2.50 per share. Out of these, 300 shares were reissued for Rs. 8 per share. Pass necessary journal entries.

4. A company offered to its shareholder the right to buy three shares of Rs. 100 each at 200 each for every five shares held. The last year dividend rate is 20%. The market price of shares are 300 cum dividend. Calculate the value of right.
5. Star Ltd. issued 5,000 shares of 100 each at a premium of 15%. 90% of the issue was underwritten by M/s Rajpal & Co. at a commission of 1% of the nominal value. The public applied for 4,000 shares and the allotment was accordingly made. All the amount was duly received. Show journal entries in the books of Co.
6. Calculate the amount of claims to be debited to Revenue Account for the year ended as on 31-03-2022 from the following information :

Claims paid during the year	15,00,000
Claims admitted but not paid as on 31-03-2022	3,00,000
Claims intimated but not yet admitted as on 31-03-2022	1,00,000
Claims outstanding as on 1-4-2021	2,00,000
Claim recovered under reinsurance	90,000

SECTION—B

7. Explain the accounting treatment for Redemption of Preference Shares.
8. What do you mean by Buyback of Shares ? Explain the merits and demerits of buyback of shares.
9. Max Ltd. issued 20,000 equity shares of 10 each at a premium of 2 per share payable as follows :

On application 7 (including premium), On allotment 3, On first & final call 2.

The public applied for 24,000 shares and the allotment was made on prorata basis. Excess application money were utilized towards dues on allotment.

Mr. Ram Lal was holds 500 shares, failed to pay the allotment money and first & final call. All his shares were forfeited. Out of forfeited shares, only 300 shares were reissued to Mr. Sham Lal as fully paid for 8 per share.

Pass journal entries in the books of the company to record above transactions.

10. Following balances were extracted from the books of XYZ Ltd. for the year ended as on 31st March, 2022 :

Buildings	6,00,000
Furniture	60,000
Motor Vehicles	60,000
Equity Shares of Companies	4,00,000
Stock-in-trade at cost	4,00,000
Sundry Debtors	2,80,000
Cash at Bank	1,72,000
Advances against Building	1,30,000
Share Capital 1,00,000 Equity Shares of Rs. 10 each	10,00,000
Sundry Creditors	3,50,000
Surplus Account (Credit Balance)	20,000
Gross Profit	10,00,000
Dividend received on investments	10,000
Salaries & Wages	2,20,000
Director Fees	33,000
Auditor Fees	25,000

Prepare statement of Profit & Loss A/c and Balance Sheet as at that date after considering the following adjustments :

- (a) Provide 10% depreciation p.a. on Building, Furniture and Motor Vehicles.
- (b) Stock has been revalued at 3,60,000. It has been not considered as yet.
- (c) Debts more than 6 months are Rs. 80,000.

SECTION—C

- 11. Draw a Performa of Revenue Account of Fire Insurance Company with imaginary figures.
- 12. What do you mean by underwriting of Shares and Debentures ? Explain various types of underwriting with the help of suitable examples.
- 13. A Ltd. company had 6% Debentures of Rs. 1,00,000/- as on 1-4-21. It had Sinking Fund of Rs. 40,000/- represented by 5% Investments (Nominal Value Rs. 50,000/-). On 31-12-2021 it sold 10,000, 5% investments at 9,000 and with that amount on the same date purchased 10,000 Own Debentures for immediate cancellation. On 15-03-2022 it sold 5,000; 5% investments for 3,800 and with that amount

purchased 4,000 Own Debentures ex-interest and cancelled them immediately. Interest date is 31-03-2022. Annual contribution to Sinking Fund is 10,000. Prepare Ledger Accounts.

14. From the following figures, prepare Balance Sheet of Chennai Bank Ltd. as on 31st March, 2022 :

	Rs. ('000)
Reserve Fund	600
Bills Discounted	1,800
Furniture	40
Investments	950
Cash Credits and Overdrafts	5,300
Current Saving Deposits	3,800
Participating Certificates Purchased	500
Stamps and Stationery	10
Balance with Reserve Bank	1,300
Cash in hand	500
Profit & Loss Account	220
Fixed Deposits	4,000

Unclaimed Dividends	10
Paid-up Capital	2,000
Loans from other Banks	1,200
Loans to Customer	600
Provision for Contingencies	170
Premises	1,000

Other information :—

- (i) The market value of investments is Rs. 9,00,000.
- (ii) The rebate of bills discounted is Rs. 5,000.
- (iii) No credit has been taken for interest of Rs. 7,000.
- (iv) Loan from other banks are secured to the extent of Rs. 5,00,000 against a charge on investment.