

# Fakir Chand College

**Semester-v, CBCS Internal Assessment Examination 2020**

**Class- B.Com, Subject- Corporate Accounting**

**Paper- DSE 5.2 AG, Full Marks-10**

**Answer any five questions**

**5x2=10**

- |  |   |
|--|---|
| 1. What is forfeiture of share           | 2 |
| 2 What is Buy Back of Securities         | 2 |
| 3 What is Redemption of Debenture        | 2 |
| 4 What is Reconstruction of a Company    | 2 |
| 5 Define Redemption of Preference Shares | 2 |
| 6 Define Employee Stock Option Plan      | 2 |

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## Semester-v, CBCS Examination 2020 Class- B.Com, Subject- Corporate Accounting Paper- DSE 5.2 AG, Full Marks-80

### Answer any four questions 20x4=10

1. ABC Ltd issued 100000 equity shares of rs 10 each payable as follows:-

Rs 2.5 with application, rs 3.5 on allotment, rs2.00 on first call and rs 2.00 on second and final call

Applications totaled 200500 shares. One application for 500 shares was rejected on technical grounds. All other applications were accepted allotting one share for every two shares applied for. The two calls were also made on due dates.

2. xyz Ltd has 20,000 12% redeemable preference shares of rs 100 each, fully paid. The company decides to redeem the shares on December 31, 2019 at a premium of 5 percent. The company makes the following issues:-

a) 50000 equity shares of rs 10 each at a premium of 10 per cent.

b) 5000 11% debentures of rs 100 each.

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

3 the following is the trial balance of PQR Ltd as on 31th march 2020

(Rs in lakh)

Debit Balances	Amount	Credit Balances	Amount
Land at cost	110	Equity share capital(Fully paid shares of rs 10 each)	
Plant & machinery at cost	305	10% debenture	150
Furniture at cost	80	General reserve	100
Debtors	48	Profit & loss account	65
Stock on 31th march 2020	43	Securities premium account	36
Balance with bank	9	Sales	20
Cash on hand	1	Creditors	350
Adjusted purchase	160	Provision for depreciation	26
Administrative expenses	15	Suspense account	86
Factory expenses	30		2
Selling expenses	15		
Debenture interest	10		
Interim dividend paid	9		
	.....		.....
	835		835
	.....		.....

### Additional information

- i) On 31th march 2020 the company issued bonus shares to the shareholder in the ratio of 1 :3 no entry relating to this has yet been passed.
- ii) The authorized share capital of the company is 25 lakh share of rs 10 each.
- iii) The company on the advice of an independent valuer wishes to revalue the land at rs 180 lakh
- iv) The directors propose fine dividend at 10%.ignore dividend distribution tax
- v) Suspense account rs 2 lakh represent cash received for sale of some of the machinery on 1.4.2019. the cost of machinery was rs 5 lakh and the accumulated depreciation thereon was rs 4 lakh. The entry for disposal of the machinery has not yet been made
- vi) Depreciation is to be provided on plant and machinery, and furniture @10%

You are required to prepare PQR Ltd statement of profit and loss for the year ended 31.3.2020 and the balance sheet as at that date.

4. POSKO Ltd issues 5000 12% secured debenture of rs 100 each . give journal entries if the debentures are redeemable at par and are issued i)at par, ii) at a discount of 2 per cent and iii)at a premium of 3 percent.

5. Discuss the valuation Goodwill using Average Profit method & Super Profit method.