

**Exam. Code : 107303**

**Subject Code : 2112**

**B.Com (Prof.) 3<sup>rd</sup> Semester (Old Sylb. 2015)**

**CORPORATE ACCOUNTING**

**Paper : BCP—303**

Time Allowed—3 Hours]

[Maximum Marks—50

**Note :—** (1) Attempt any **TEN** parts from Section A out of **TWELVE** given parts. Each part carries **1** mark.

(2) Attempt any **TWO** questions from Section B out of **FOUR** given questions. Each question carries **10** marks.

(3) Attempt any **TWO** questions from Section C out of **FOUR** given questions. Each question carries **10** marks.

**SECTION—A**

1. Explain the following :

(i) Share Vs Stock

(ii) Registered companies

(iii) Journal entry for issue of debenture in cash at discount

- (iv) Ex-interest
- (v) Oversubscription
- (vi) Finance costs
- (vii) Advantages of Right issue
- (viii) Preferential creditors
- (ix) Circumstances in which company may be wound up by Tribunal
- (x) Surrender value
- (xi) Reversionary bonus
- (xii) Cash credit Vs Overdraft.

### SECTION—B

2. Discuss the content of Balance Sheet as per Companies Act, 2013.
3. What is Capital Redemption Reserve Account ? How is it calculated ? How is it utilised ?
4. Dynamic Ltd. makes an issue of 5000 equity shares of Rs. 100 each at a premium of Rs. 12.50 per share payable as :
  - (i) Rs 12.50 on application
  - (ii) Rs. 25 on allotment including premium
  - (iii) Rs. 50 on first call

(iv) Rs. 15 on second call

(v) Rs. 10 on final call.

The application and allotment moneys are duly received and in addition the holders of 2500 shares pay in full on allotment. Holders of 100 shares failed to pay the first call and after due notice their shares are forfeited. The amounts payable on the second call (made after the forfeiture) are paid in full except that a holder of 50 shares fails to pay. 75 of the 100 shares forfeited are reissued, credited with Rs. 90 paid for Rs. 70 per share. The new holder pays for these shares in full. The balance of Rs. 10 per share being treated as call in advance. The final call is met in full including the arrears of the second call. Show the necessary journal entries, including cash in the books of Dynamic Ltd.

5. Good Luck Ltd. decided to redeem its preference shares as on March 31, 2014 on which date its position was as under :

Share Capital : 12 % Redeemable Preference Shares  
of Rs. 100 each fully paid up Rs.  
30,00,000

Equity shares of Rs. 100 each fully paid  
up Rs. 1,70,00,000

Securities Premium Reserve Rs. 17,00,000

General Reserve Rs. 25,00,000

Other Liabilities Rs. 58,00,000

The Board of Directors decided to redeem the Preference Shares both by issue of fresh capital and by utilisation of reserves but without any further borrowings. You are required to advise them the scheme for redemption and draw up the Balance Sheet after redemption along with Journal Entries.

### SECTION—C

6. Discuss the recent trends in corporate reporting practices.
7. Give perform a of Balance Sheet of a Banking Company.
8. Bekar Ltd. went into voluntary liquidation. The details regarding liquidation are as follows :

Share capital :

- (i) 2000 8% Preference shares Rs. 100 each  
(fully paid up)
- (ii) Class A- 2000 Equity shares of Rs. 100 each  
(Rs. 75 paid up)
- (iii) Class B- 1600 Equity shares of Rs. 100 each  
(Rs. 60 paid up)

- (iv) Class C- 1400 Equity shares of Rs. 100 each (Rs. 50 paid up).

Assets including Machinery realised Rs. 4,20,000. Liquidation expenses amount to Rs. 15,000. Bekar Ltd. has borrowed a loan of Rs. 50,000 from Patel Brothers against the mortgage of Machinery (which realised Rs. 80,500). In the books of the company salaries of 4 clerks for 4 months at a rate of Rs. 250 per month and salaries of 4 peons for 3 months at rate of Rs. 150 per month, are outstanding. In addition to this, the Company's books show the creditors worth Rs. 88,200. Prepare Liquidator's Statement of Receipts and Payments.

9. Prepare Revenue Account in respect of Fire Business from the following details for the year 2013-14 :

	(Rs.)		(Rs.)
Reserve for unexpired risk on 1 <sup>st</sup> April 2013 @ 50 %	1,80,000	Premium recovered	4,86,000
Additional reserve	36,000	Premium on reinsurance accepted	32,000
Estimated liability for claims :		Premium on reinsurance ceded	43,000
Intimated on 1-4-2013	31,000		
on 31-3-2014	42,000		

	(Rs.)		(Rs.)
Claims paid	3,65,000	Commission on direct business	48,600
Legal expenses	6,000	Commission on reinsurance accepted	1,600
Medical expenses	4,000	Commission on reinsurance ceded	2,150
Reinsurance recoveries	32,000	Expenses of management	90,000
Bad debts	800	Interest, dividend and rent	24,000
		Profit on sales of investments	3,000

Create reserves on 31st March, 2014 to the same extent as on 1st April 2013.