

Bc/CrptA-404

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(4th Semester)

COMMERCE

Paper : BC-404

(Corporate Accounting)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) Distinguish between a private limited company and a public limited company. 9

Or

- (b) X Ltd invited applications for 10000 shares of ₹ 100 each at a premium of 10% payable as follows :

On application— ₹ 25

On allotment— ₹ 50

On first and final call— ₹ 35

The applications received were for 12000 shares and allotted on pro-rata

(2)

basis. All moneys due were received except in the first and final call on 100 shares which were forfeited. 50 shares were reissued @ ₹ 90 as fully paid.

Pass entries in the Cashbook and Journal of the company. 9

2. (a) What is dividend? What are the sources of declaring dividend? Explain the types of dividends. 3+3+3=9

Or

(b) Following is the Trial Balance of X Co. Ltd. as at 31st March, 2021 :

Particulars	Debit (₹)	Credit (₹)
Stock on 31st March, 2020	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	

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<i>Particulars</i>	<i>Debit</i>	<i>Credit</i>
	(₹)	(₹)
Surplus Account on 31-03-2020		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	
Reserve		15,500
Patents and Trademark	4,830	
	<u>5,03,030</u>	<u>5,03,030</u>

Prepare Statement of Profit and Loss
for the year ended 31-03-2021
taking into consideration the following
adjustments 9

- (i) Stock on 31st March, 2021—
₹ 82,000
- (ii) Depreciation on Fixed Assets @ 10%
- (iii) Make a provision for Income Tax
@ 50%
- (iv) Ignore corporate dividend tax

- 3 (a) What do you mean by liquidation of
companies? Mention the consequences
of winding-up of companies. 3+6=9

(4)

Or

- (b) Following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Final Statement of Account allowing for his remuneration at 3% on the amount realized on assets and 3% on the amount distributed to Unsecured Creditors other than Preferential Creditors :

	₹
Unsecured Creditors	2,24,000
Preferential Creditors	70,000
Debentures	75,000

The assets realized the following sums :

	₹
Cash in Hand	20,000
Land and Buildings	1,30,000
Plant and Machinery	1,10,500
Fixtures and Fittings	7,500

The Liquidation Expenses amount to ₹ 2,000. A call of ₹ 2 per share on the partly paid 10000 equity shares was made and duly paid except in case of one shareholder owning 500 shares.

4. (a) What is goodwill? Explain the methods of valuing goodwill. 3+6=9

Or

- (b) On 31st March, 2021, Ledger balances taken from the books of X Ltd. were as follows :

Credit Balances	(₹)
Share Capital	
Authorized and Issued :	
5000 Equity Shares	
of ₹ 100 each fully paid	5,00,000
Profit and Loss A/c	1,03,000
Bank Overdraft	20,000
Creditors	77,000
Provision for Taxation	45,000
Proposed Dividend	75,000
	<u>8,20,000</u>

Debit Balances	(₹)
Land and Buildings	2,20,000
Plant and Machinery	95,000
Stock	3,50,000
Sundry Debtors	1,55,000
	<u>8,20,000</u>

Net Profit of the company, after deducting all working charges and providing for Depreciation and Taxation, were as under year ended on 31st March :

2017—₹ 85,000, 2018—₹ 96,000;
 2019—₹ 90,000, 2020—₹ 1,00,000;
 2021—₹ 95,000

(6)

On 31st March, 2021, Land and Buildings were valued at ₹ 2,50,000 and Plant and Machinery @ ₹ 1,50,000. 10% return on capital employed (tangible) is considered reasonable. Goodwill is to be valued based on 5 years' purchase of superprofit. Show the valuation of shares of the company. 9

5. (a) What is purchase consideration? Explain the different methods of calculating purchase consideration 3+6=9

Or

- (b) A Ltd. acquired the undertaking of B Ltd. on 31-03-2021 for a purchase consideration of ₹ 2,50,000 to be paid by fully-paid equity shares of ₹ 10 each. Equity and Liabilities and Assets of the two companies on the date of acquisition were as follows :

Liabilities	A Ltd. (₹)	B Ltd. (₹)
Share Capital		
Equity Shares of ₹ 10 each fully paid up	2,50,000	1,50,000
Reserves and Surplus		
General Reserve	1,20,000	18,000
Surplus A/c	10,000	53,000
Development Rebate Reserve	10,000	37,000
Workers Compensation Fund	15,000	24,000
Current Liabilities	45,000	95,000
	<u>4,50,000</u>	<u>3,77,000</u>

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(7)

<i>Assets</i>	<i>A Ltd.</i> (₹)	<i>B Ltd.</i> (₹)
Fixed Assets :		
Land and Buildings	1,20,000	80,000
Plant and Machinery	2,00,000	1,80,000
Furniture and Fixtures	10,000	20,000
Current Assets :		
Stock	55,000	40,000
Debtors	45,000	40,000
Bank Balance	20,000	17,000
	<u>4,50,000</u>	<u>3,77,000</u>

Pass necessary Journal entries in the books of A Ltd. when amalgamation is in the nature of purchase.

9

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(4th Semester)

COMMERCE

Paper : BC-404

(Corporate Accounting)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. Indicate whether the following statements are
True (T) or False (F) by putting a Tick (✓) mark :

1×5=5

(a) A Public Ltd. Co. having share capital can
commence business as soon as it is
incorporated.

(T / F)

(b) A debenture-holder is an owner of the company.

(T / F)

(c) Advance payment of tax should be shown on the
Assets side of the Balance Sheet.

(T / F)

(2)

(d) A contributory can only be a present member of the liquidated company.

(T / F)

(e) Internal reconstruction means reduction of capital of a company.

(T / F)

2. Choose the correct answer from the given options and place its code in the brackets provided : 1000

(a) Share Application A/c is a

(i) Nominal A/c

(ii) Real A/c

(iii) Personal A/c

(iv) None of the above

[

(b) The shares which can be issued to shareholders for no payment are called

(i) bonus shares

(ii) equity shares

(iii) preference shares

(iv) share capital

[

(c) Profit on forfeiture of share is

- (i) operating profit
- (ii) profit before tax
- (iii) capital profit
- (iv) revenue profit []

(d) List 'C' contains the list of

- (i) shareholders
- (ii) debenture-holders
- (iii) secured creditors
- (iv) preferential creditors []

(e) Surplus or deficiency in the Statement of Affairs is shown in

- (i) List 'A'
- (ii) List 'B'
- (iii) List 'H'
- (iv) List 'D' []

(f) The sources of declaring dividend is given in

- (i) Section 122 of the Companies Act, 2013
- (ii) Section 123 of the Companies Act, 2013
- (iii) Section 124 of the Companies Act, 2013
- (iv) Section 125 of the Companies Act, 2013 []

(g) Dividend declared between two annual general meetings is called

- (i) interim dividend
- (ii) final dividend
- (iii) scrip dividend
- (iv) None of the above []

(h) _____ deals with accounting for amalgamation.

- (i) AS-12
- (ii) AS-13
- (iii) AS-14
- (iv) AS-15 []

(i) When there is two liquidations and one formation, it is a case of amalgamation in the nature of

- (i) purchase
- (ii) merger
- (iii) absorption
- (iv) All of the above []

(j) Realization Account is prepared by the

- (i) transferor company
- (ii) transferee company
- (iii) purchasing company
- (iv) None of the above []

(5)

3. Write short notes on the following :

2×5=10

(a) Reserve capital

(6)

(b) Divisible profits

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(c) Contributory

(d) Methods of valuation of shares

(9)

(e) Alteration of share capital

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