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Reg. No. :

Name :

**Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
November 2024**

Paper I : CORPORATE ACCOUNTING

(2013 – 2019 Admission)

Time : 3 Hours

Max. Marks : 80

I. Answer **any five** of the following. Each question carries **2** marks.

1. What do you mean by Reissue of shares?
2. Who is a transferor company?
3. State any two differences between Amalgamation and Absorption.
4. Enlist the methods of calculating Purchase Consideration.
5. What do you mean by Redemption of Preference shares?
6. What is Basic EPS?
7. State Accounting Standard 21.

(5 × 2 = 10 Marks)

II. Answer **any four** questions. Each question carries **4** marks.

1. State the methods of Alteration of Share Capital.
2. Write a short note on Forfeiture of shares.

P.T.O.

3. Briefly explain AS-3.
4. Make a distinction between Basic EPS and Diluted EPS.
5. What do you mean by amalgamation in the nature of merger?

(4 × 4 = 16 Marks)

III. Answer **any four** of the following. Each question carries **6** marks.

1. 15,000, 9% redeemable preference shares of Rs.100 each of M/s Global Customer care Ltd. Repayable at premium or 12% are now due for redemption. The company has accumulated reserves the amount of which is much in excess of the sum required for redemption. In addition, there is a large balance lying in securities premium account which is available for payment of premium on redemption.

Show the journal entries in the books of the company to give effect to the above.

2. The Balance sheets of A Ltd. and B Ltd. as on 31.12.2015 are as follows:

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Share Capital (Rs.10 each)	2,00,000	1,50,000	Goodwill	40,000	30,000
General Reserve	35,000	20,000	Land and Building	90,000	60,000
P&L A/c	20,000	25,000	Plant and Machinery	75,000	56,000
Debentures	50,000	40,000	Debtors	58,000	47,500
Creditors	25,000	15,000	Stock	52,000	51,800
			Cash at bank	15,000	4,700
	<u>3,30,000</u>	<u>2,50,000</u>		<u>3,30,000</u>	<u>2,50,000</u>

The two companies decide to amalgamate into a new company C Ltd. which will take over the assets and liabilities of these two companies on the following terms:

A Ltd: Holders of each share of Rs.10 in the company would receive one share of Rs.10 each, Rs.5 paid up and Rs.4 in cash.

B Ltd: Holders of each share of Rs.10 in the company would receive one share of Rs.10 each in C Ltd. at a market value of Rs.12 each in C Ltd. C agrees to pay Rs.15,000 cash to discharge the creditors.

3. If the company X has 1,00,000 equity shares and 50,000, 10% cumulative preference shares. The company has reported a net profit after tax of Rs.5,00,000 for the year ended March 31st, 2014. Calculate Basic EPS.
4. Write a note on Underwriting.
5. Journalise the following transactions:
 - (a) A company issued Rs.90,000 13% debentures at discount of 10%, redeemable at par.
 - (b) A company issued Rs.90,000 13% debentures at par, redeemable at 10% premium.

(4 × 6 = 24 Marks)

IV. Answer **any three** questions. Each question carries **10** marks.

1. Big Co.Ltd. with an authorised capital of Rs.5,00,000 divided into 5,000 equity shares of Rs.100 each. On 31st March 2010 2,500 shares were fully called up. Following are the balances extracted from the ledger of the company as on 31-03-2010:

Particulars	Amount	Particulars	Amount
Stock	50,000	Advertising	14,300
Sales	4,25,000	Debtors	38,700
Purchases	3,00,000	Creditors	35,200

Particulars	Amount	Particulars	Amount
Wages (Productive)	70,000	Plant and Machinery	80,500
Discount Allowed	4,200	Furniture	17,100
Discount Received	3,150	Cash and Bank	1,34,700
Insurance upto 30-06-2010	6,720	Reserve	25,000
Salaries	18,500	Loan from Managing director	15,700
Rent	6,000	Bad Debts	3,200
General expenses	8,950	Calls in Arrears	5,000
Profit and Loss A/C	6,220		
Printing and Stationery	2,400		

You are required to prepare Trading and Profit and Loss Account for the year ended 31st March 2010 and the Balance sheet as on that date of the company. Following further information is given:

- (a) Closing Stock: Rs.91,500
- (b) Depreciation to be charged on Plant and Machinery and Furniture at 15% and 10% respectively.
- (c) Outstanding liabilities- wages: Rs.5,200; Salaries: Rs.1,200; Rent: Rs.600.
- (d) Dividend @ 5% on paid up share capital is to be provided.
- (e) Ignore Corporate Dividend Tax.

2. A limited company has a nominal capital of Rs.2,50,000 in Rs.10 shares. Of these, 4,000 shares were issued as fully paid in payment of buildings purchased: 8,000 shares were subscribed for by the public, and during the first year Rs.5 per share were called up, Rs.2 on application, Re.1 on allotment, Re.1 on first call and Re.1 on second call. The amounts received in except of these shares were as follows:

On 6,000 shares the full amount called.

On 1,250 shares Rs.4 per share.

On 500 shares Rs.3 per share.

On 250 shares Rs.2 per share.

The directors forfeited 750 shares on which less than Rs.4 had been paid. These shares were subsequently reissued at Rs.3 per share.

Give journal entries for the above transactions.

3. Define Share Capital and discuss the divisions of Share Capital.

4. Following is the Balance Sheet of Hyson Ltd:

Liabilities	Amount	Assets	Amount
Equity Share Capital of Rs.10 each	4,00,000	Goodwill	2,00,000
12% Preference share capital of Rs.10	3,00,000	Fixed Assets	4,00,000
8% Debentures	4,00,000	Stock	2,00,000
Creditors	2,00,000	Debtors	2,60,000
Taxation Provision	1,00,000	Cash	1,60,000
		Profit & Loss A/c (Dr.)	1,80,000
	<u>14,00,000</u>		<u>14,00,000</u>

The following scheme is approved:

- (a) All existing equity shares are to be reduced to Rs.6 each.
- (b) Preference shares to be reduced to Rs.8 each.
- (c) Debenture holders to forego 20% of their claims, but to raise the rate of interest to 12%.
- (d) The taxation liability of the company to be settled at Rs.60,000.
- (e) The Directors to refund Rs.60,000 fees already received by them.
- (f) To write off goodwill and debit balance in profit and loss account.
- (g) To revalue fixed assets.

Give journal entries and show the Balance sheet of the Company.

(3 × 10 = 30 Marks)

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