

Exam. Code : 121103
Subject Code : 102649

B.Com. 3rd Sem. (Batch 2023-26) (CBGS)

CORPORATE ACCOUNTING

Paper—BCO03005T

Time Allowed—3 Hours] [Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. R.J. Ltd. invited applications for issuing 3,00,000 Equity Shares of Rs. 10 each allotted at a Premium of 10% The amount was payable as follows :

On Application — Rs. 4 per share

On Allotment — Balance (including Premium)

Applications for 4,00,000 Equity Shares were received and pro-rata allotment was made to all the applicants. Excess money received on application was adjusted towards sum due on Allotment. Somu, who was allotted 6,000 shares failed to pay the allotment money. His shares were accordingly forfeited. The forfeited shares were reissued at Rs. 9 per share as fully paid up.

Pass necessary journal entries in the Books of Company.

2. Explain various ways of issue of debentures.

SECTION—B

3. The Balance Sheet of Nipun Limited on 31st March, 2021 was as follows :

Particulars	Amount (Rs.)
I. EQUITY AND LIABILITIES	
(1) Shareholders' Funds	
(a) Share Capital :	
8% Preference Shares	
Rs. 10 each	50,000
Equity Shares of Rs. 10 each	2,50,000
(b) Reserves and Surplus :	
General Reserve	20,000
Statement of Profit &	
Loss (Debit)	(1,25,000)
(2) Non-current Liabilities	
(a) Long-term Borrowings :	
6% Debentures of	
Rs. 100 each	20,000

(b) Other Long-term Liabilities	
(3) Current Liabilities	
(a) Trade Payables :	
Creditors	40,000
(b) Other Current Liabilities :	
Bank Overdraft	28,500
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TOTAL	2,83,500
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II. ASSETS

Non-current Assets

(a) (i) Property, Plant and Equipment :	
Land and Buildings	1,40,000
Machinery	37,500
Furniture	15,000
(ii) Intangible Assets :	
Goodwill	90,000
(b) Other Non-Current Assets :	
Preliminary Expenses	1,000
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TOTAL	2,83,500
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The Capital reduction scheme, approved by the court is as under :

- (1) Holders of 600 debentures of Rs. 100 are to be given 8% debentures of Rs. 50 and preference shares of Rs. 10 each of equal amount, for the remaining amount of Rs. 50.

- (2) The value of all preference shares including the preference shares given to debentureholders as shown above, is to be reduced to Rs. 6 and dividend rate is to be increased upto 9%^{1/2}.
- (3) The value of equity shares is to be reduced to Rs. 2.
- (4) The existing equity shareholders are to purchase additional equity shares of Rs. 1,00,000 for cash, to pay off the bank overdraft.
- (5) All fictitious and intangible assets are to be written off. Machinery and furniture are to be written off in proportion of books values, with the help of General Reserve and Capital Reduction Account.

Pass necessary journal entries in the books of the company to record the above transactions. Prepare the company's Balance Sheet after such changes.

4. What is meant by amalgamation ? Give methods of accounting for amalgamation.

SECTION—C

5. Prepare Profit and Loss Account and Balance Sheet from the information available from ROXY Bank Limited as on 31st March 2024 :

	Rs.
Share Capital 6,000 shares of 100 each	
Rs. 50 paid up	3,00,000

Interest and discount	8,50,000
Share Premium	1,00,000
Balance with RBI	14,50,000
Commission exchange and brokerage	2,80,000
Balance with other banks	5,50,000
Interest paid on deposits	3,50,000
Money at call	2,50,000
Saving deposits	20,00,000
Rent, Rates, Insurance	25,000
Current and contingent accounts	45,00,000
Law charges	10,000
Shares purchased	3,65,000
Miscellaneous receipts	20,000
Cash in Hand	82,000
Reserve Fund	2,00,000
Rent received	50,000
Fixed deposits	60,00,000
Salary and allowance	2,75,000

Rs.

Bills discounted & Purchased	8,50,000
Postage & telegram	65,000
Bills Payable	7,00,000

	Rs.
Central Govt. Securities Purchased	23,00,000
Director's fee and allowances	28,000
Advance tax paid	1,25,000
Auditor fee	12,000
Premises	16,50,000
Unexpired discount	35,000
Misc. Expenses	20,000
Repairs	74,000
Profit & Loss Balance (1.4.2023)	50,000
Loans, overdrafts, cash credits	60,23,000
Branch Adjustments (Dr. balance)	4,75,000
Interest accrued on investment	25,000
Bills for collection	4,50,000
Unclaimed Dividend	15,000
Depreciation	50,000
Stationery & Printing	46,000

6. Explain Slip System of Posting. Give features. Discuss advantages and disadvantages.

SECTION—D

7. The following Trial Balance was extracted from the books of the Indian Assurance Co. Ltd. as on 31st March, 2016 :

Paid Capital – 10,000 shares Rs. 10 each	Dr.	Cr.
Life Assurance Fund as on 1st April, 2015		1,00,000
Dividend paid	15,000	29,72,300
Bonus to Policy-holders	31,500	
Premiums Received		1,61,500
Claims paid	1,97,000	
Commission paid	9,300	
Management Expenses	32,300	
Mortgage in India	4,92,200	
Interest & Dividend Received		1,12,700
Agent's Balances	9,300	
Freehold Premises	40,000	
Investments	23,05,000	
Loan on Company's Policies	1,73,600	
Cash on Deposit	27,000	
Cash in hand and on Current Accounts	7,300	
Surrenders	7,000	
	33,46,500	33,46,500

You are required to prepare Company's Revenue Account for the year ended 31st March, 2016 and the Balance Sheet on that date after taking the following matters into consideration :

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|--|------------|
| (a) Claims admitted but not paid | Rs. 9,000 |
| (b) Management Expenses Due | Rs. 200 |
| (c) Interest accrued | Rs. 19,300 |
| (d) Premiums Outstanding | Rs. 10,000 |
| (e) Bonus utilised in reduction of premium | Rs. 2,000 |
| (f) Claims covered under reinsurance | Rs. 2,300 |
8. What is valuation of Balance Sheet ? How profit and loss is ascertained in life insurance business ?