ıis question paper contains 40 printed pages.]

Your Roll No..............

No. of Question Paper : 1863 GC-4

ıique Paper Code : 22411201

ıme of the Paper : Corporate Accounting

ıme of the Course : **B.Com (Hons.)**

mester : II

ıration : 3 Hours Maximum Marks : 75

structions for Candidates:

Write your Roll No. on the top immediately on receipt of this question paper.

Attempt **ALL** questions.

Answers may be written either in English or in Hindi; but the same medium should be used throughout the paper.

त्रों के लिए निर्देश

इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए।

सभी प्रश्नों के उत्तर दीजिए।

इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

P.T.O.

1. (a) Explain the provisions of Section 52 of The Compa Act, 2013 with regard to utilisation of securit premium.

(b) The following is the summarised Balance Sheet of Ltd. as at 31st March, 2016:

EQUITY AND LIABILITIES		R
Paid up Share Capital:		
50,000 Equity Shares of Rs. 10 each fully paid up		5,00,0
1,000, 10% Redeemable Preference Shares of Rs. 100 each fully called up	1,00,000	
Less: Calls in Arrears @ Rs. 20 each	1,000	99,0
Securities Premium		20,0
Balance in Statement of Profit and Loss		60,0
General Reserve		70,0
Creditors		1,51,0
		9,00,0
II. ASSETS		
Non-current assets		5,00,0
Current assets (including Cash at Bank Rs. 90,000)		4,00,0
		9,00,0

The redeemable preference shares were redeemed on the following basis:

1. Of the 50 preference shares, holders of 40 shares paid the call money before the date of redemption. The balance 10 shares were forfeited for non-payment of calls before redemption. The forfeited shares were reissued as fully paid up on receipt of Rs. 500 before redemption.

2. Further 4,500 equity shares were issued at a premium of 10% and 2,000. 9%. Debentures of Rs. 10 each were issued at a discount of 10%.

3. Expenses for fresh issue of shares Rs. 5,000.

4. Preference shares were redeemed at a premium of 10% and securities premium account was utilised for this purpose.

5. Holders of 100 preference shares were not traceable.

Show journal entries including those relating to cash.

(5+10=15)

OR

(a) Discuss provisions regarding issue of bonus shares as enumerated under the Companies Act, 2013.

(b) The following balances appeared in the books of the company on 1st April, 2015:

12% Debentures	4,00,0
Debenture Redemption Fund	3,00,0
Debentures Redemption Fund Investment	3,00,0

(Represented by 10% Rs. 3,60,000 secured Bonds Government of India)

On 30th April 2015, the company purchased 10% secu bonds of Government of India for Rs. 60,000 at par.

Annual Contribution to Redemption Fund was Rs. 64,0 made on 31st March each year. On 31st March, 20 balance at bank was Rs. 2,00,000 after receipt of inter The company sold thc investments at 80% and debentu were paid off. You are required to prepare the followi accounts for the year ended 31st March. 2016:

(i) Debentures Account

(ii) Debentures Redemption Fund Account

(iii) Debenture Redemption Fund Investment Account a

(iv) Bank Account (5+10=

(क) कंपनी अधिनियम 2013 के खंड 52 में प्रतिक्षति प्रीमियम के उपयोग बारे में दी गई व्यवस्थाओं की व्याख्या कीजिए।

(ख) X लिमिटेड का 31 मार्च 2016 तक का संक्षिप्त तुलनपत्र निम्नलि है:

From the under mentioned Trial Balance of ABC Ltd., prepare a Profit and loss Statement for the year ended 31st March. 2016 and the Balance Sheet on that date:

P.T.O.

Debit balances	Rs.	Credit balances	R
Opening Stock	3,00,000	Equity share capital (10,000 shares of Rs. 100 each)	10,00,0
Purchases	6,09,000	5% Debentures	2,50,0
Wages	5,52,000	Sales	18,50,0
Discount	15,000	Creditors	80,0
Fuel	25,700	Bank overdraft	1,20,0
Building	7,00,000	Discount	23,0
Carriage Inward	11,750	Return outward	1,0
Sundry Debtors	2,00,000		
Goodwill	1,30,000		
Short-term Investments	1,50,000		
Plant and Machinery	2,50,000		
Loose Tools	60,000		
General Expenses	1,74,000		
Bad Debts	10,300		
Debenture Interest (half year upto 30-09-2015)	6,250		
Cash At Bank	**1,30,000**		
	33,24,000		**33,24,0**

Additional information:

(i) The authorised capital of the company is Rs. 20,00,000.

(ii) Stock on 31.3.2016 was Rs. 3,50,000.

(iii) Depreciate Plant And Machinery by 20% and revalue loose tools at Rs. 41,000.

(iv) Provide 2% as bad debt reserve.

(v) Final dividend 15% and transfer of Rs. 11,644 to General Reserve was proposed by the Board of Directors.

(vi) Rate of income tax is 30%.

(vii) Corporate dividend tax to be charged at 20.358%.

(15)

OR

2. (a) For the year ended 31st March, 2016, the profit of A Ltd. before tax amounted to Rs.7,20,000. There was a credit balance of Rs. 4,10,000 brought forward from the previous year. The paid up capital of the company consisted of 30,000, 6% Preference shares of Rs 100

each and 4,00,000 equity shares of Rs. 10 each. Inter[i]
dividend on equity shares was paid during the year
7.5%. The following appropriations were passed at t[he]
annual general meeting of the company:

1. To pay dividend on preference shares.

2. To pay a final dividend of 5% on equity sha[re]
capital.

3. To provide for taxation Rs.2,00,000.

4. To transfer 2.5% of current year's profits to Gener[al]
Reserve.

5. To provide for corporate dividend tax at 20.358[%]

Write up the "Reserves and surplus" to be show[n]
in notes to accounts.

(b) Explain the intrinsic value method of valuation of equi[ty]
shares with example.

(c) The Balance Sheet of X Ltd. is as follows:

Particulars	Rs.	Rs.
I.EQUITY AND LIABILITIES:		
Shareholder's funds:		
Equity Share Capital (10,000 Shares of Rs. 10 each)	1,00,000	
8% Preference Share Capital (5000 shares of Rs. 10 each)	50,000	
Reserves and Surplus	90,000	2,40,000
Non-current Liabilities		
8% Debentures		50,000
Current liabilities		
Trade Payables		25,000
Short Term Provision: Provision for taxation		10,000
Total		**3,25,000**
II. ASSETS:		
Non-Current Assets		
Fixed Assets		1,80,000
Goodwill		10,000
Investments (5% Tax Free Government loan)		20,000
Current Assets		
Trade Receivables		1,00,000
Other Current Assets: Share Issue Expenses		15,000
Total		**3,25,000**

P.T.O.

Current year's profit of the company (after deducti
interest on debentures and taxes) is Rs. 31,000. T
market value of the machinery included in fixed ass
is Rs. 5,000 more. Expected rate of return is 10
Compute the value of goodwill of the company at
years' purchase of super profits. (5+5+5=

3. A Ltd. agreed to acquire the business of B Ltd. as on 31^{st} Mar 2016. The Balance Sheet of B Ltd. as on that date was as und

EQUITY AND LIABILITIES	Rs.
Authorised, Issued and Subscribed Capital	
10,000, 12% Preference Shares of Rs. 10 each fully paid up	1,00,000
20,000 Equity shares of Rs. 10 each fully paid up	2,00,000
General Reserve	20,000
Profit and Loss Account	30,000
11% Debentures	1,00,000
Sundry Creditors	1,50,000
	6,00,000
ASSETS	
Land and buildings	2,00,000
Machinery	1,00,000
Stock	2,00,000
Sundry Debtors	50,000
Cash and Bank Balances	35,000
Preliminary expenses	10,000
Debenture Discount	5,000
	6,00,000

The consideration payable by A Ltd. was agreed as under:

(i) The preference shareholders of B Ltd. were to be allotted 14% preference shares of Rs. 1,10,000.

(ii) Equity shareholders to be allotted six equity shares of Rs. 10 each issued at a premium of 10% and Rs. 3 cash against every five shares held.

(iii) 11% debenture holders of B Ltd. to be paid at 8% premium by issue of 12% Debentures at 10% discount.

While arriving at the purchase consideration, A Ltd. valued land and buildings at Rs. 2,50,000; stock at Rs. 2,20,000; and debtors at their book value. subject to an allowance of Rs. 2,000 to cover doubtful debts. Debtors of B Ltd., include Rs. 10,000 due from A Ltd. The machinery was valued at book value.

It was agreed that before acquisition. B Ltd. will pay a dividend of 10% on equity shares (preference dividend having been paid already). Ignore corporate dividend tax and dividend bank account. Liquidation expenses amounted to Rs. 5,000 and were borne by A Ltd.

Draft journal entries to close the books of B Ltd. and prepare Realisation Account and Equity Shareholders Account. Also give opening entries in the books of A Ltd. (15)

OR

Following is the Balance Sheet of X Ltd. as on 31st March, 2016.

P.T.O.

Equity and Liabilities	Rs.	Assets	
5,000, 7% Cumulative Preference Shares of Rs. 100 each	5,00,000	Goodwill	75,0
		Patents	50,0
1,00,000 Equity Shares of Rs. 10 each	10,00,000	Land and buildings	6,00,0
7% Debentures of Rs. 100 each (secured on land and building)	5,00,000	Plant and machinery	5,50,0
		Investments (at cost)	60,0
Interest payable to debenture holders	17,500	Stock	4,30,0
Loan from directors	1,00,000	Debtors (considered good)	4,00,0
Creditors	4,00,000	Debtors (considered doubtful)	30,0
Bank overdraft	2,50,000	Cash	2,5
		Preliminary expenses	80,0
		Profit and loss account	4,90,0
	27,67,500		**27,67,5**

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Contingent Liabilities:

1. Claims for damages pending in the court totalling Rs. 50,000

2. Arrears of preference dividend Rs. 14,000

The following scheme of reconstruction has been agreed upon and duly approved by the Court:

(a) The Preference Shares were to be reduced to an equal number of fully paid Preference Shares of Rs. 80 each and Equity Shares to an equal number of fully paid Equity Shares of Rs. 2.50 each.

(b) All intangible assets to be written off.

(c) Stock to be revalued at Rs. 3,80,000 and Debtors considered doubtful to be written off.

(d) Preference shareholders agreed to waive half of the arrears of dividends and to receive Equity Shares in lieu of the balance.

(e) Debenture holders agreed to take over part of the security of the book value of Rs. 1,80,000 for Rs. 2,50,000 in satisfaction of part of their claim and were issued fresh 7% debentures (with floating charge on all assets) in lieu of interest payable to them and payment of additional cash of Rs. 1,50,000.

(f) The contingent liability for claims for damages pen
in the court of law materialised to the full ext
However, the company could recover Rs. 40,000 f
those who were responsible for such damages and se
the rest by issuing Equity Shares.

(g) The directors agreed to convert the loan into Eq
Shares.

Journalise the transactions and preparc Cap
Reorganisation Account

The following are the Balance Sheets of H Ltd. and S Ltd. as on 31st March, 2016:

	H Ltd. (Rs.)	S Ltd. (Rs.)
EQUITY AND LIABILITIES:		
Equity share capital (fully paid shares of Rs. 10 each)	8,00,000	2,00,000
General reserve (as on 1-4-2015)	2,00,000	2,00,000
Surplus	40,000	4,00,000
Trade Creditors	**1,60,000**	**80,000**
Total	**12,00,000**	**8,80,000**
ASSETS	**Rs.**	**Rs.**
Fixed Assets: Tangible	4,00,000	2,00,000
Investments in Equity shares of S Ltd.	4,00,000	-
Stock in trade	2,00,000	1,80,000
Trade Receivables	1,20,000	4,00,000
Cash at Bank	80,000	1,00,000
Total	**12,00,000**	**8,80,000**

P.T.O.

Additional Information:

(i) H Ltd. had purchased shares in the subsidiary com[pany]
on January 1, 2016.

(ii) Balance of surplus of S Ltd. on 1-4-2015
Rs. 1,60,000.

(iii) S Ltd. distributed bonus shares out of general re[serve]
in the ratio of one share for every two shares he[ld]
February, 2016, but the entry for bonus issue ha[s]
been passed by it yet.

(iv) There was an abnormal loss of goods by fire amou[nting]
to Rs. 30,000 on 1st October, 2015.

(v) H Ltd. held 18,000 equity shares (including [bonus]
shares) in S Ltd. as at 31st March, 2016.

Prepare consolidated Balance Sheet of H Ltd. an[d]
subsidiary S Ltd. as at 31st March, 2016. Show
workings.

OR

4. H Ltd. acquired 32,000 equity shares of Rs. 10 each [in S]
Ltd. on 01-10-2015 for Rs. 6,00,000. The Balance She[ets of]
the two companies as at 31-03-2016 were as follows:

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EQUITY AND LIABILITIES	H Ltd. (Rs)	S. Ltd. (Rs.)
Share Capital : Equity shares of Rs. 10 each fully paid up.	10,00,000	4,00,000
General reserve (01-04-2015)	4,80,000	2,00,000
Profit and Loss Account	1,20,000	1,80,000
Unclaimed Dividend	-	2,000
Bills Payable	-	30,000
Sundry Creditors	4,00,000	88,000
	20,00,000	**9,00,000**
ASSETS	**H. Ltd. (Rs.)**	**S Ltd. (Rs.)**
Land and Building	4,00,000	4,40,000
Plant and Machinery	6,00,000	3,00,000
Investments (including Investment in Equity shares of S Ltd.)	8,00,000	-
Stock	50,000	30,000
Debtors	40,000	50,000
Bills Receivable	10,000	20,000
Bank Balance	1,00,000	40,000
Preliminary Expenses	-	20,000
	20,00,000	**9,00,000**

P.T.O.

Note: Contingent liability for Bills discounted Rs. 20

Additional Information:

(i) On 01-04-2015 the Profit and loss Account of S showed a credit balance of Rs. 70,000 out of wh dividend of 10% was paid on 01-11-2015. The div was credited by H Ltd. to its Profit and loss Acc Ignore corporate dividend tax.

(ii) Creditors of S Ltd. include an amount of Rs. 3 for purchase from H Ltd. The goods are still uns 31-03-2016. H Ltd. sells the goods at cost plus

(iii) Bills Payable of S Ltd. are all issued in favour Ltd. Of these bills, H Ltd. got discounted bills Rs. 20,000.

Prepare Consolidated Balance Sheet of H Ltd. a subsidiary S Ltd. as at 31-03-2016. Show your work

H लिमिटेड और S लिमिटेड के 31 मार्च 2016 तक के तुलन पत्र निम्न है:

5. From the particulars given below. prepare cash statement as per AS-3 (Revised) using indirect meth

Balance Sheets as at 31 March,..

EQUITY AND LIABILITIES	2016 Rs.	2015 Rs.
Equity Share Capital	80,000	55,000
10% preferenc Share Capital	20,000	25,000
General Reserve	7,600	4,000
Profit and Loss Account	2,400	2,000
15% Debentures	14,000	12,000
Creditors	22,000	24,000
Proposed divident	8,000	10,000
Provision for taxation	8,400	6,000
	1,62,400	**1,38,000**
ASSETS	**2016**	**2015**
Fixed Assets	80,000	82,000
Less : Accumulated Depreciation	30,000	22,000
	50,000	60,000
Stock	70,000	60,000
Debtors	34,400	15,000
Cash	7,000	2,400
Prepaid expenses	1,000	600
	1,62,400	**1,38,000**

P.T.O.

Additional Information:

(1) Provision for tax made for the year Rs. 9,400

(2) Fixed assets costing Rs. 20,000 (accumu depreciation till date of sale on them Rs. 6,000) sold for Rs. 10,000.

(3) Interim dividend paid during the year Rs. 9 Proposed dividend of last year was declared and during the year. Ignore corporate dividend tax.

(4) New debentures were issued on 31st March,

Show your workings clearly.

OR

5. (a) Differentiate between Balance Sheet of a bankin non banking company.

(b) J Ltd. presents the following information for the ended 31st March, 2016:

	Figu
	Rs.
Net profit before tax provision	
Dividend paid	

Income tax paid	5,100
Book value of assets sold	222
Loss on sale of asset	48
Depreciation debited in Profit and Loss Account	24,000
Capital grant received-amortised in Profit and loss Account	10
Book value of investment sold	33,318
Profit on sale of investments	120
Interest income from investment credited in Profit and loss Account	3,000
Interest expense debited in Profit and Loss Account	12,000
Interest actually paid	13,042
Increase in working capital (excluding cash and bank balance)	67,290
Purchase of fixed assets	22,092
Expenditure on construction work	41,688

P.T.O.

Grant received for capital projects

Long term borrowings from bank

Provision for income tax debited in Profit and Loss Account

Cash and bank balance on 1-4-2015

Cash and bank balance on 31-3-2016

You are required to prepare a Cash Flow Statement AS-3 (Revised). (5+1