[This question paper contains 24 printed pages.]

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

Sr. No. of Question Paper : 3842 **H**

Unique Paper Code : 2412091201

Name of the Paper : Corporate Accounting

Name of the Course : **B.Com. – DSC**

Semester : II

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt **all** questions.
3. Please attempt parts of a question together.
4. **All** questions carry equal marks.
5. Use of Simple Calculator is allowed.
6. Answers may be written either in English or Hindi; but the same medium should be used throughout the paper.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए।
2. सभी प्रश्न कीजिए।
3. प्रश्न के सभी भागों को एक साथ कीजिए।
4. सभी प्रश्नों के अंक समान हैं।
5. साधारण कैलकुलेटर उपयोग की अनुमति है।
6. इस प्रश्न-पत्र का उत्तर अंग्रेज़ी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए।

P.T.O.

1. (a) Give three differences between **any two** of the following :

   (i) Right issue and bonus issue of shares.

   (ii) Interim dividend and final dividend.

   (iii) Redemption of preference share and buy back of shares. (3+3)

(b) B Ltd. invited applications for 1,00,000 equity shares of ₹10 each issued at a premium of ₹4 per share. The amount was payable as follows :

On application: ₹6 including premium of ₹2

On allotment : ₹6 including premium of ₹2

Balance : on first and final call

Applications for 1,50,000 shares were received. Allotment was made on *prorata basis* to all the applicants. Ganesh to whom 200 shares were allotted failed to pay the allotment and call money. Shiva who applied for 150 shares failed to pay the first call money. The unpaid shares were forfeited and out of these 120 shares were reissued at ₹8 as fully paid up including all the shares of Shiva.

Pass the necessary journal entries. Please show the working notes clearly.

(12)

OR

(a) Calculate minimum fresh issue of equity shares required for redemption of preferences shares on the basis of following information :

   (i) 15,000 preferences shares of ₹10 each to be redeemed at 10% premium

   (ii) Balance in surplus account ₹60,000

   (iii) Balance in securities premium reserve account ₹8, 000

   (iv) Fresh issue of equity shares of ₹10 each is to be made at 10% premium.

What will be you new answer if preferences shares are to be redeemed at 20% premium?

(4+2)

(b) The following balances were extracted from the books of B Ltd on 1 April 2022.

10% Debentures	₹40,00,000
Sinking Fund	₹34,00,000
Sinking Fund Investment	₹34,00,000
(Represented by 8% Govt. Loan of ₹34,00,000)	
Premium on redemption of debentures	₹2,00,000

Annual contribution to sinking fund was ₹4,00,000 on 31st March 2023. The company had the right to purchase its own debentures from market. On 1st January 2023 the company purchased its own 500, 10% debentures of ₹100 each at ₹98 cum interest for immediate cancellation. The remaining debentures were redeemed on 31st March 2023. Interest on debentures and interest on Govt. loan were payable on 31st March each year. The investments were sold on 31st March 2023 at a profit of ₹1,000 on cost. Prepare the ledger accounts for the company of 10% Debentures, Sinking Fund, Sinking Fund Investments assuming company had enough cash . (12)

2. (a) Write three differences between :

   (i) AS-14 for Amalgamation of companies and IND AS 103 for Business combinations.

   (ii) Amalgamation in the nature of merger and amalgamation in the nature of purchase. (3+3)

(b) The following is the balance sheet of Beta Ltd as at 31.03.2023

Particulars	Note Number	₹
I. EQUITY AND LIABILITIES:		
1. Shareholders' Funds:		
Share Capital	1	24, 00 000
Reserves & Surplus: Surplus (Negative Balance)	2	(7,00,000)
2. Non-current Liabilities: Long-term Borrowings		4, 50, 000
3. **Current Liabilities**:		
Trade Payables (Trade Creditors)		1,50,000
Short-term Borrowings (Bank Overdraft)		1,00,000
TOTAL		**24,00,000**
II. ASSETS:		
1: Non-current Assets:		
Fixed Assets: Tangible	3	14,00,000
Intangible (Goodwill)		90,000
Investments		80,000
Current Assets:		
Trade Receivables (Sundry Debtors)		4,20,000
Inventories		3,60,000
Cash and Cash Equivalents (Bank)		50,000
TOTAL		**24,00,000**

Note to Account

Particulars	₹
1. **Share Capital:**	
2,00,000 Equity Shares of ₹10 each (₹8 called up)	16,00,000
8,000, 10% Preference Shares of ₹100 each	8,00,000
	24,00,000
2. Long-term Borrowings:	
12% Debentures	1,30,000
Unsecured Loans	3,20,000
	4,50,000
3. Tangible Assets:	
Land and Building	8,00,000
Plant and Machinery	6,00,000
	14,00,000

The following scheme of reconstruction is duly agreed and approved by the court :

(i) Uncalled capital is to be called up in full and equity shares are to be reduced to ₹6 each.

(ii) Preference shareholders agree to forego their arrears of dividend.

(iii) 12% debenture-holders accept ₹65,000 worth 14% debentures in full satisfaction of their claim.

(iv) Trade Creditors are to forego 20% of their claims.

(v) Investments are to be taken over by bank in full settlement of the bank overdraft.

(vi) Inventories are overvalued by ₹1,00,000 and machinery is to be brought down to ₹4,00,000.

(vii) A provision for doubtful debts @ 5% is to be made against Sundry Debtors.

(viii) Unsecured loan was satisfied by ₹2,20,000 worth 14% Debentures in full satisfaction of their claims.

(ix) Write off Surplus (Negative balance) to the extent of balance available in Reconstruction Account after considering aforesaid points. Goodwill is not to be written off.

You are required to pass necessary journal entries. Prepare Reconstruction A/c also. (12)

OR

(a) Write notes on the following :

(i) Three purposes of utilization of Reconstruction Account in case of internal reconstruction.

(ii) Three ways of alteration of share capital in case of internal reconstruction. (3+3)

(b) The following is the balance sheet of Weak Ltd as at 31-3-23

	₹
Liabilities	
2,000 equity shares of ₹ 100 each	2,00,000
General Reserve	20,000
5% debentures	1,00,000
Sundary creditors	80,000
Total	**4,00,000**
Assets	
Goodwill	35,000
Land and building	85,000
Plant and machinery	1,20,000
Stock	55,000
Debtors	65,000
Cash at bank	40,000
Total	**4,00,000**

The business of Weak Ltd is takeover by Alpha Ltd. All the assets and liabilities are taken over except cash. Purchase consideration is satisfied by issues of 10,000 equity of ₹10 each and the balance in cash.

You are further given the following information :

(i) The trade creditors of Weak Ltd include ₹20,000 due from Alpha Ltd.

(ii) The debtors of Weak Ltd include ₹15,000 receivable from Alpha Ltd.

(iii) Weak Ltd had sold prior to 31-3-23 goods costing ₹30,000 at ₹40,000 to Alpha Ltd.

(iv) Weak Ltd had also purchased goods of ₹25,000 from Alpha Ltd. which sells goods at 25% profit.

Calculate the purchase consideration. Prepare the Realization Account and Equity Shareholders Account to close the books of Weak Ltd and pass the necessary journal entries in the books of Alpha Ltd. (12)

3. The following are the balances of MD Ltd. As on 31-3-2022 :

Debit Balances	₹	Credit Balances	₹
Premises	30,72,000	Share Capital	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	Surplus A/c	2,62,500
Debtors	8,70,000	Bills Payable	3,70,000
Goodwill	2,50,000	Creditors	4,00.000
Bank	4,06,500	Sales	41,50,000
Calls in Arrear	75,000	General Reserve	2,50,000
Interim Dividend Paid	3,92,500	Bad Debts Provision on 1-4-2021	35.000
Purchases	18,50,000		
Preliminary Exps.	50,000		
Wages	9,79,800		
General Expenses	68,350		
Salaries	2,02,250		
Bad Debts	21,100		
Debenture Interest Paid	1,80,000		
Total	1,24,67,500	Total	1,24,67,500

Additional Information :

(a) Stock on 31-3-2022 was ₹9,50,000:

(b) Depreciate Plant by 15%.

(c) Write off ₹5,000 from preliminary expenses.

(d) Interest on debentures is for 6 months.

(e) Create 5% provision for doubtful debts.

(f) Provide for income tax @ 50%.

Prepare the statement of profit and loss and the balance sheet of the company. (18)

OR

(a) Differentiate between cash flow statement and income statement. (6)

(b) The following are the balance sheets of Modern Ltd.:

	Particulars	Note No.	31-03-20 ₹	31-02-2021 ₹
I.	EQUITY AND LIABILITIES			
	1. Shareholders" Funds			
	(a) Share Capital		11,50,000	11,50,000
	(b) Reserve and Surplus:			
	(i) General Reserves		3,00,000	3,00,000
	(ii) Surplus Accounts		80,000	1,15,000
	(iii) Depreciation Fund		2,00,000	2,20,000
	2. Non-current Liabilities			
	(a) Long-term Borrowings (8% Debentures)		4,50,000	3,50,000
	3. Current Liabilities			
	(a) Trade Payable (Creditors)		5,15,000	4,80,000
	(b) Other Current Liabilities (Outstanding Expenses)		65,000	60,000
	Total		**27,60,000**	**26,75,000**
II.	ASSETS			
	1. Non-current Assets			
	(a) Property, Plant & Equipment (Tangible)			
	(i) Machinery		2,60,000	3,50,000
	(ii) Land & Building		7,50,000	7,50,000
	(b) Non-current Investments		5,50,000	3,70,000
	2. Current Assets			
	(a) Inventories		4,10,000	5,30,000
	(b) Trade Receivables (Debtors)		3,35,000	2,15,000
	(c) Cash and Cash Equivalents (Bank)		4,50,000	4,50,000
	(d) Other Current Assets (Prepaid expenses)		5,000	10,000
	Total		**27,60,000**	**26,75,000**

The following information is also available :

(i) A dividend of 10% is payable on Equity Share Capital.

(ii) New machinery for ₹1,50,000 was purchased but old machinery costing ₹60,000 was sold for ₹20,000. Accumulated depreciation thereon was ₹30,000.

(iii) ₹1,00,000, 8% Debentures were redeemed through open market purchase @ ₹96 for a debenture of ₹100.

(iv) Investments of ₹1,80,000 were sold at book value.

You are required to prepare a Cash Flow Statement for the year end 31st March, 2021 in accordance with AS-3 (Revised). (12)

4. (a) Explain the various factors which affects the valuation of shares. (6)

(b) The following particulars of Wipro Ltd. are available:

(i) Equity Share Capital: 1,00,000 Equity Shares of ₹10 each fully paid.

(ii) Preference Share Capital: 10,000, 12%, Preference Shares of ₹100 each fully paid.

(iii) Reserve and Surplus : ₹1,50,000.

(iv) Current Liabilities: Creditors ₹1,20,000; Bills Payable ₹60,000.

(v) Post tax profits earned each year by the company ₹2,85,000 (Normal Average)

(vi) Appropriation from profits is 10% (Transfer to General Reserve).

(vii) Assets of the company include one fictitious item of ₹8,000.

(viii) The normal rate of return in respect of the equity share of this type of company is ascertained at 10% (ignoring goodwill).

Compute the value of the company's share by :

(i) Asset backing method (12)

(ii) Yield method.

OR

(a) What are Future Maintainable Profits? Write any five adjustments required to be done for calculating it. (6)

(b) The assets and liabilities of LC Ltd, as on 31 March, 2022, were as follows :

Particulars	Note No.	₹
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital		
(i) 10,000 Equity Shares of ₹ 10 each		1,00,000
(b) Reserve and Surplus		35,000
2. Non -Current Liabilities:		
(a) Long-term Borrowings (% Debentures)		15,000
3. Current Liabilities		
(a) Trade Payables (Creditors)		20,000
(b) Short term Provisions		
(i) Provision for taxation (Current Tax)		9,000
Total		1,79,000
II. ASSETS		
1. Non-current Assets		
(a) Fixed Assets		
(i) Tangible - Land and Buildings		84,000
- Plant and Machinery		60,000
- Furniture and Fittings		5,000
(b) Non-Current Investments:		
(i) 5% Government Securities		20,000
2. Current Assets		
(a) Inventories (Stock)		2,000
(b) Trade Receivables (Debtors)		6,000
(c) Cash and Cash Equivalents (Bank)		2,000
Total		1,79,000

(b) What is the meaning of XBRL? Explain main characteristics and advantages of XBRL? (12)

OR

(b) Write short notes on **any three** of the following :

(i) Constituents of annual report

(ii) Contents of the report of board of directors

(iii) CSR reporting

(iv) Segment reporting

(v) Identification of related parties as per companies act and AS 18 (6+6+6)

1. (क) निम्नलिखित में से किन्हीं दो के बीच तीन अंतर बताइए :

(i) अधिकार निर्गम और शेयरों का बोनस निर्गम।

(ii) अंतरिम लाभांश और अंतिम लाभांश।

(iii) अधिमानी शेयर का मोचन और शेयरों की वापसी-खरीद (बाय-बैक)। (3+3)

(ख) B Ltd. ने 4 रुपये प्रति शेयर के प्रीमियम पर जारी किए गए 10 रुपये प्रति के 1,00,000 इक्विटी शेयरों के लिए आवेदन आमंत्रित किए। धनराशि निम्नानुसार देय थी :

आवेदन करने पर : ₹2 के प्रीमियम सहित ₹6

आवंटन करने पर : ₹2 के प्रीमियम सहित ₹6 बकाया: पहले और अंतिम कॉल पर

1,50,000 शेयरों के लिए आवेदन प्राप्त हुए थे। सभी आवेदकों को यथानुपात आधार पर आवंटन किया गया था। गणेश को 200 शेयर आवंटित किए गए थे, वह आवंटन और कॉल मनी का भुगतान करने में विफल रहे।

The net profits of the company after charging depreciation and taxes were as follows :

2017-18 = ₹17,000; 2018-19 = ₹19,000; 2019-20 = ₹18,000;

2020-21 = ₹20,000; 2021-22 = ₹19,000;

On 31 March, 2022, Land and Buildings were revalued at ₹95,000, Plant and Machinery at ₹71,000, Furniture and Fittings at ₹4,000. 10% represents a fair commercial rate of return on investment in the company. Find out the value of the Goodwill based on Five years' purchase of the average super profits. (12)

5. (a) From the following information calculate Debtors turnover ratio, stock turnover ration and creditors turnover ratio :

Particulars	Opening (₹)	Closing (₹)
Bills Receivables	30,000	60,000
Bills Payables	60,000	30,000
Sundry Debtors	1,20,000	1,50,000
Sundry Creditors	75,000	1,05,000
Stock in Trade	96,000	1,44,000

You are further given :

(i) Net credit Sales : ₹6,00,000

(ii) Total Sales : ₹8,00,000

(iii) Profit % on sales : 20%

(iv) Net Credit purchases : ₹4,00,000

Take 360 days in a year. (6)