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Total No. of Pages : 04

Total No. of Questions : 18

BBA (Sem.-5)
CORPORATE ACCOUNTING
Subject Code : BBA-521-18
M.Code : 78196

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A** is **COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTIONS-B** consists of **FOUR** Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains **TWO** questions each, carrying **TEN** marks each.
4. Student has to attempt any **ONE** question from each Sub-section.

SECTION-A

Write briefly :

- 1) Right Shares
- 2) Authorised Share Capital
- 3) Cumulative Preference Shares
- 4) Debenture Redemption Reserve
- 5) Managerial Remuneration
- 6) Preliminary Expenses
- 7) Subsidiary Company
- 8) Capital Reserve
- 9) Buy Back of Shares
- 10) Issue of Shares at Discount

SECTION-B

UNIT-I

- 11) X Co. Ltd. issued 1,00,000 equity shares of Rs. 10 each payable as Rs. 3 on application, Rs. 4 on allotment and balance in two calls of equal amount. This issue had overwhelming response from the market and total number of application were received for 2,75,000 shares. The company decided to make pro-rata allotment as follows:

- a) Applicants who applied for 50,000 shares were allotted 30,000 shares.
- b) Applicants who applied for 25,000 shares were allotted 25,000 shares.
- c) Applicants who applied for 2,00,000 shares were allotted 45,000 shares.

Assuming that all applicants paid their dues in time and the excess was adjusted against future calls, pass necessary journal entries.

- 12) What do you mean by Bonus Shares? What are the source from which a company can issue bonus shares? Also discuss the impact of issue of bonus shares on the balance sheet of the company.

UNIT-II

- 13) What are preference shares? Write a detailed note on the accounting process for redemption of preference shares.
- 14) What are debentures? Write a detailed note on various types of debentures. Also discuss the accounting procedure for issuing and redemption of debentures.

UNIT-III

- 15) What is a financial report? Write a detailed note on major components of financial reports in India. Also discuss the recent trends in corporate financial reporting in India.
- 16) What are consolidated Profit and Loss Account and Balance Sheet? How the consolidated financial statements are different from standalone financial statements?

UNIT-IV

- 17) What is profit (loss) prior to incorporation? Discuss the accounting process for recording and amortizing the profit (loss) prior to incorporation.

18) The following balance were extracted from the books of X Co. Ltd. as on 31-03-2019 :

Debit Balance	Amount (Rs. In 000)	Credit Balance	Amount (Rs. In 000)
Freehold land	2,00,000	Income from investment	4,000
Building	1,60,000	Provision for bad and doubtful debts	2,000
Furniture	19,000	Creditors	30,000
Debtors (unsecured)	1,50,000	8% Debentures	1,00,000
Opening stock	60,000	Equity share capital	3,66,500
Cash at bank	5,000	9% Preference share capital	1,00,000
Cash in hand	1,000	Security premium	10,000
Purchase	2,90,000	Bank overdraft	58,500
Wages	15,000	Sales	4,50,000
Freight	3,000	Profit & Loss Account (1-4-2018)	3,500
Carriage	2,000		
Salaries	2,90,000		
Misc. Expenses	8,000		
Investment in shares	1,80,000		
Interest on debentures	3,000		
Bad debts	1,000		
Repairs and maintenance	1,500		
Advance payment of income tax	6,000		
Total	11,24,500		11,24,500

Additional Information :

- Authorized share capital of the company is Rs. 10 Lakhs, which comprises 80000. Equity shares of Rs. 10 each and 40000. 9% Preference shares of 5 each. The company has issued 40,000, Equity shares and 20,000. 9% Preference shares, which are fully called up.
- As on 31-02-2019, market value of investments was Rs. 2,00,000.
- Depreciation is to be charged on written down value of building and furniture 20% and 10% respectively.

- d) The company has resolved to pay dividend on preference shares.
- e) Rs. 10000 out of debtors are irrecoverable and an additional provision for bad and doubtful debts is required to be maintained 10%.
- f) Managing director of the company is entitled to 5% remuneration on the annual set profit (if any).

You are required to prepare the Profit and Loss Account of the company for the year ended 31-3-2019 and Balance Sheet as on the same date.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.