

Roll No.

Total No. of Questions : 09

Total No. of Pages : 03

B.Com (Honours) (Sem.-4)
CORPORATE ACCOUNTING

Subject Code : BCOM/401/18

M.Code : 77409

Date of Examination : 20-05-2024

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. Students have to attempt any ONE question from each Sub-section.

SECTION-A

1. Write short notes on the following :

- ✓a) Write short on bonus shares.
- ✓b) Write short on right shares.
- ✓c) Write short on surrender value.
- ✓d) What do you mean non-performing assets?
- ✓e) What do you mean by issue of shares at premium?

- f) From the following, you are required to find the value of goodwill :

Profit 2017 = Rs. 56,000, Profit 2018 = Rs. 60,000, Profit 2019 = Rs. 63,000,

Profit 2020 = Rs. 95,000. The normal profit is Rs. 56000 and there are 5 purchase years. You are required to find the value of goodwill.

- g) From the following information you are required to find the intrinsic value of shares :

Total assets: Rs. 10, 98, 00,000 and Liabilities excluding share capital Rs. 4, 95, 00,000. The number of shares outstanding are 50,000 and Calls in arrears Rs. 1,86,000.

- ✓h) Explain the term amalgamation.
- ✓i) What do you mean by preference shares?
- ✓j) Write the full form of IRDA.

SECTION-B

2. Ajanta Ltd. invited applications for 1,00,000 Equity Shares Rs.10 each payable as Rs. 2 application, Rs. 3 on Allotment and the balance on first and final call. Applications were received for 3,00,000 shares and shares were allotted on prorata basis. The excess application money was to be adjusted against allotment only. Ram, a shareholder who has applied for 3,000 shares failed to pay the call money and his shares were forfeited and re-issued at Rs. 8 per share as fully paid. Pass necessary journal entries in the books of company.
3. What do you mean by final accounts of Company? You are requested to prepare specimen of balance sheet as per the Company Act 2013.
4. The balance sheet of Zubin Co. Ltd. disclosed the following position as on 31st December 2020.

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Share Capital 8,000 equity shares of Rs.100	8,00,000	Goodwill	6,50,000
Profit and Loss A/C	1,75,000	Machinery	8,50,000
General Reserve	3,75,000	Investments	3,00,000
9% Debentures	6,00,000	Stock	6,00,000
Creditors	4,50,000	Debtors	3,00,000
Bills Payable	3,50,000	Cash in hand	50,000
	27,50,000		27,50,000

- a) The profits for the past five years were: 2016 = Rs. 80,000; 2017 = Rs.75,000; 2018 = Rs. 90,000; 2019 = Rs. 95,000 and 2020 = Rs.85,000.
- b) The market value of investments were Rs. 4,00,000.
- c) Goodwill is to be valued at four years purchase of the average annual profits for the last five years.

Find the intrinsic value of each share.

5. What are the different types of accounts of banking company? What are key differences between balance sheet of banking and non-banking company. •
6. State the conditions for amalgamation in the nature of business. Name and explain the method of accounting applicable for such type of amalgamation. •
7. The Hackson India limited sells the business to the CANCHI Co. Ltd. As on 31st March 2021 on which date its balance sheet was as under :

Liabilities	Amount in Rs.	Assets	Amount in Rs.
3000 shares of 100 each	3,00,000	Land and Building	3,50,000
Debentures	2,00,000	Goodwill	1,50,000
Trade creditors	50,000	Plant and Machinery	1,83,000
Reserve fund	50,000	Stock	35,000
Profit and loss account	1,50,000	Bills Receivables	4,500
Bills Payable	50,000	Sundry Debtors	27,500
		Cash at Bank	50,000
	8,00,000		8,00,000

CANCHI Co. Ltd Agreed to take over the assets (excluding cash and goodwill) at 10% less than the book value, to pay goodwill Rs. 1,75000, and to take over the debentures.

The purchase consideration was to be discharged by the allotment o the Hackson Ltd. of 2000 shares of Rs. 100 each a premium of Rs. 10 per share and the balance in cash. The cost of liquidation Rs. 3000. You are required to show necessary accounts in the books of Hackson Ltd and show necessary journal entries recording he transaction in the book of CANCHI Co. Ltd.

8. What do you mean by insurance? Discuss the different accounting books as maintained by insurance companies. • • •
9. What is the different type of Life Insurance? Discuss the different accounts related to life insurance business.

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.