

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

B.Com. (Hons.) (Sem.-4)
CORPORATE ACCOUNTING
Subject Code : BCOM-401-18
M.Code : 77409
Date of Examination : 13-12-22

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 forfeited shares.
 - b) Write short on buy back of 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 discount?
 - f) From the following you are required to find the value of goodwill : Profit 2017 = Rs. 76,000, Profit 2018 = Rs. 90,000, Profit 2019 = Rs. 80,000, Profit 2020 = Rs. 1,00,000. The normal profit is Rs. 65,000 and there 4 purchase year. You are required find the value of goodwill.
 - g) From the following information you are required to find the intrinsic value of shares:
Total assets: Rs. 7,38,00,000 and Liabilities excluding share capital Rs. 2,50,00,000.
The number of shares outstanding 2,50,000 and Calls in arrears Rs. 76,000.
 - h) Explain the term annuity.
 - i) What do you mean by internal reconstruction?
 - j) Write short on managerial remuneration.

SECTION-B

UNIT-I

2. AB Ltd. invited applications for issuing 75,000 equity of Rs. 100 each a premium of Rs. 30 per share. The amount was payable as follows:

On Application & Allotment - Rs. 85 per share (including premium)

On First and Final call the balance Amount.

Applications for 1,27,500 shares were received. Applications for 27,500 shares were rejected and shares were allotted on pro-rata basis to the remaining applicants.

Excess money received on application and allotment was adjusted towards sums due on first and final call. The calls were made. A shareholder, who applied for 1,000 shares, failed to pay the first and final call money. His shares were forfeited. All the forfeited shares were reissued at Rs. 150 per share fully paid up. Pass necessary journal entries for the above transactions in the books of AB Ltd.

3. What do you mean by final accounts of Company? You are requested To prepare specimen of Trading and Profit Loss Account, Profit and Loss appropriation account as per the Company Act 2013.

UNIT-II

4. What do you understand by goodwill? Describe the various methods of calculation of goodwill.
5. On 31st March 2021, the balance sheet of Glorious Ltd. was as follows:

Liabilities	Amount in Rs.	Assets	Amount in Rs.
3,000 equity shares of Rs. 100 each fully paid	2,00,000	Land & Building	1,80,000
2,0000 6% preference shares of Rs. 10 each	2,00,000	Plant and Machinery	1,20,000
General reserve	50,000	Debtors	50,000
5% debentures of Rs.100 each	1,00,000	Stock trade	1,00,000
Sundry creditors	50,000	Investment in 5% Govt. Securities	1,00,000
Bill payable	50,000	Cash at bank	70,000
		Cash in hand	30,000
	6,50,000		6,50,000

- i) Fair return on capital employed in this type of business is 10% p.a.
- ii) Goodwill is to be taken at 4 years purchase value of super profits.
- iii) Average of the profits Rs. 38,000.

- iv) Profit is more or less stable over years and the same trend is expected to be maintained in the near future. Ignore taxation.

You are required to compute the value of goodwill and intrinsic value of shares.

UNIT-III

6. State the conditions for amalgamation in the nature of merger. Explain the term 'Purchase Consideration' as per accounting standard 14.
7. The CAMHF Limited sells the business to the Continental Co. Ltd. As on 31st March 2021 on which date its balance sheet was as under:

Liabilities	Amount in Rs.	Assets	Amount in Rs.
2000 shares of 100 each	200,000	Land and Building	1,50,000
Debentures	1,00,000	Goodwill	50,000
Trade Creditors	30,000	Plant and Tools	83,000
Reserve fund	20,000	Stock	35,000
Profit and Loss account	50,000	Bills Receivables	4,500
		Sundry Debtors	27,500
		Cash at Bank	50,000
	4,00,000		4,00,000

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

The purchase consideration was to be discharged by the allotment of the CAMHF Ltd. of 1500 shares of Rs. 100 each a premium of Rs. 10 per share and the balance in cash. The cost of liquidation is Rs. 3000. You are required to show necessary accounts in the books of CAMHF Ltd and show necessary journal entries recording the transaction in the book of Continental Limited.

UNIT-IV

8. What do you understand by an insurance policy? Explain the special terms peculiar to insurance business.
9. **Write short notes on:**
- a) Life Assurance Fund
 - b) Final accounts of life and general insurance.

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.