

**Roll No.**

**Total No. of Pages : 03**

**Total No. of Questions : 09**

**BBA (2013 to 2017)/BRDM/B.SIM (2014 & Onwards)**

**(Sem.-2)**

## CORPORATE ACCOUNTING

**Subject Code : BBA-204**

**M.Code : 10547**

**Time : 3 Hrs.**

**Max. Marks : 60**

**INSTRUCTION TO CANDIDATES :**

1. **SECTION-A is COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-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

- 1. Write briefly :**
- a) Issue of Debentures as collateral security.
  - b) Right issue
  - c) Growth funds
  - d) Deferred Taxes
  - e) Reduction in Share Capital
  - f) Average capital employed for the calculation of goodwill
  - g) Corporate social responsibility
  - h) Items included in the current assets of the Balance Sheet
  - i) Non-performing Assets
  - j) Ready-to-use accounting software

## SECTION-B

## UNIT-I

2. What is a debenture? What are the types of debentures? Distinguish between share and debenture.
3. X Ltd. issued for Public subscription 40,000 equity shares of Rs.10 each at a premium of Rs.2 per share payable as under; on application Rs.3per share; on allotment Rs. 5 per share (including premium), on first call Rs. 2 per share and on second call Rs.2 per share.

Applications were received for 60,000 shares. Allotment was made *pro rata* to the applicants for 48,000 shares, the remaining applications being refused. Money overpaid on applications was utilized towards sums due on allotment.

Shri Ram, to whom 1,600 shares were allotted, failed to pay the allotment, first and second call money and Shri Hussain to whom 2,000 shares were allotted failed to pay the two calls. These shares were subsequently forfeited after the second call was made. All the forfeited shares were sold to Mohan as fully paid up at per share. Show the journal entries to record the above transactions.

## UNIT-II

4. Explain the procedure and law regarding declaration and payment of dividend by a company. What accounting entries are passed in this connection?
5. The following balances appeared in the books of sun Ltd. as on 31st March, 2016 :

	Dr. (Rs.)	Cr. (Rs.)
Equity Shares of Rs. 10 each, fully paid up		6,00,000
General Reserve		2,30,000
Unclaimed Dividend		526
Trade Payables		42,858
Building (at cost)	1,50,000	
Purchases	5,00,903	
Sales		10,83,947
Manufacturing Expenses	3,50,000	
Salaries	26,814	
General Charges	31,078	
Machinery (at cost)	2,30,000	
Furniture (at cost)	5,000	
Opening Inventories	1,72,058	
Trade receivables	2,32,380	
Investment	2,88,950	
Provision for Depreciation on Fixed Assets		91,000
Advance payment of Income Tax	50,000	
Cash at bank	72,240	
Director's Fees	1,800	
Interest on Investment		8,544
Profit and Loss Balance (1.4.2015)		16,848
Staff provident fund		37,500
	<b>21,11,223</b>	<b>21,11,223</b>

From the above mentioned balances the following information, prepare the company's balance sheet as on 31<sup>st</sup> March, 2016 and its profit and loss statement for the year ended on that date :

- a) The inventories on 31<sup>st</sup> March. 2016 was valued at Rs.1,48,680.
- b) Provide Rs.19,000 for depreciation on fixed assets and Rs.8,000 for managing director's remuneration.
- c) Interest Accrued on investment amounted to Rs.2,750.
- d) Make a Provision of Rs.50,000 for Income Tax.
- e) The Directors propose a dividend @8% after transfer of Rs.35,000 to general reserve.
- f) Corporate Dividend Tax: 20.358.

### UNIT-III

- 6. Explain with suitable example, the various methods of valuation of shares of a Company.
- 7. Give journal entries in the books of Transferee Company under the following Conditions:
  - (a) The Pooling interest method
  - (b) The Purchase Method

### UNIT-IV

- 8. Write short notes on :
  - (a) Merchant Bankers
  - (b) Stock Brokers.
- 9. '*Computerised Accounting System is the best form of accounting system*'. Do you agree. Comment.