

PC-13582/NJ

E-39/2111

CORPORATE ACCOUNTING-I

Paper-302

(Semester-III)

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt *two* questions each from Section A & B carrying 10 marks each. Attempt any *ten* short answer type questions from Section C carrying 3 marks each.

SECTION—A

I. New Ventures Ltd. made an offer of 1,00,000 Equity Shares of ₹ 10 each payable as follows :

On application ₹ 2 per share

On allotment ₹ 2 per share

On first call ₹ 3 per share

On second call ₹ 3 per share.

Application were received for 1,60,000 shares and allotments were made prorata to the applicants for 1,50,000 shares, the remaining applications being refused and money refunded. Application money paid in excess by the allottees was adjusted with the money due on allotment. Romesh the holder of 200 shares failed to pay the allotment money and on his failure

to pay the first call, the shares were forfeited. Karim another shareholder to whom 500 shares were allotted failed to pay the first and second call amounts and his shares were also forfeited after making the second call.

Out of the forfeited shares, 600 shares were reissued as fully paid on payment of ₹ 9 per share.

You are required to show the journal entries for recording the forfeitures and re-issue of the shares.

II. The summarized balance sheet of Sahitya Company Limited on 30th June, 2006 :

Liabilities	(₹)	Assets	(₹)
Share Capital :		Sundry Assets	80,00,000
Authorised, Issued and Paid up : 2,00,000; 8% Redeemable Preference Shares of ₹ 10 each	20,00,000	Cash Balance	32,00,000
5,00,000 Equity Shares of ₹ 10 each	50,00,000		
Current Liabilities	30,00,000		
Profit & Loss A/c	12,00,000		
	<u>1,12,00,000</u>		<u>1,12,00,000</u>

The condition of issue of redeemable Preference Shares provided to their being redeemed on 1st July, 2006 at a premium of 5%. The profits available being not sufficient to redeem the whole issue, the company issued 10,000, 10%

preference shares of ₹ 100 each at par on 1st July, 2006 which were duly taken up and paid for. The redeemable preference shares were redeemed on the due date.

Show the journal entries to record the above mentioned transactions.

- III. What is a debenture redemption fund? How is it created?
- IV. What restrictions are imposed by the Companies Act, on the payment of underwriting commission?

SECTION—B

- V. Sundir Ltd. is incorporated on 1st May, 2010. From January 1, 2010 it purchased the business of Priyanka Limited for ₹ 4,00,000 out of which ₹ 3,20,000 was paid up fully paid equity shares and the balance was paid in cash. The company also issued equity shares ₹ 3,00,000 for cash to public. Stock ₹ 40,000, Machinery ₹ 3,00,000 and Debtors ₹ 25,000 were acquired from vendors.

The purchasing company installed a new machine of ₹ 2,00,000. During the year 2010 total cash sales were ₹ 10,00,000. The sales per month in the first half of the year were one-half of what they were in the later half year. The net profit of the company after charging the following expenses was ₹ 90,000. The directors fees ₹ 20,000, Office expenses ₹ 7,500, Preliminary expenses ₹ 6,500, Depreciation ₹ 36,000, Selling expenses ₹ 18,000, Interest to vendor upto 31st May, 2010 is ₹ 2,000, Closing stock is valued at ₹ 40,000. Find out profit before and after incorporation and prepare a Balance Sheet of Purchasing Company as on 31st December, 2010.

VI. Following is the Profit and Loss a/c of Lakshmikant & Company Limited for the year ending 31st March, 2005 :

Particulars	₹	Particulars	₹
To salaries	63,875	By gross profit	8,75,000
To income-tax	67,375	By subsidy received	
To depreciation		from government	2,10,000
(including ₹ 8,750		By profit on sale of	
terminal depreciation)	96,250	machinery	
To compensation for		Cost ₹ 3,85,000	
breach of contract	14,000	Depreciation	
To provision for b/d	3,500	value ₹ 1,22,500	
To general reserve	10,500	Sales price ₹4,37,500	3,15,000
To general expenses	7,000		
To proposed dividend	43,750		
To director's fees	26,250		
To loss on sale of			
investment	17,500		
To net profit	10,50,000		
	<u>14,00,000</u>		<u>14,00,000</u>

Find out the permissible maximum commission payable for directors from the above information when :

- there is a manager to assist the directors.
- there is none other out of the manager, managing director and whole-time director to assist the directors.

VII. Explain the provisions of companies act regarding maintenance of proper books of accounts.

VIII. State how to disclose the following terms in the final accounts of a limited company :

- (i) Collateral security given by a director.
- (ii) Arrear dividend on computative preference shares.

SECTION—C
(Compulsory Question)

IX. Write short notes on any *ten* :

- 1. Capital Reserve.
- 2. Authorized Capital.
- 3. Profit and Loss Appropriation Account.
- 4. Holding Company.
- 5. Minority Interest.
- 6. Inter Company Owings.
- 7. Difference between calls in advance and calls in arrear.
- 8. Bonus Shares.
- 9. Buy back of shares.
- 10. Capital Redemption Reserve Account.
- 11. Firm Underwriting.
- 12. Underwrites versus broker.

PUNJABI VERSION

ਨੋਟ : ਭਾਗ A ਅਤੇ B ਵਿਚੋਂ ਦੋ-ਦੋ ਪ੍ਰਸ਼ਨ ਕਰੋ। ਹਰੇਕ ਪ੍ਰਸ਼ਨ ਦੇ 10 ਅੰਕ ਹਨ। ਭਾਗ C ਵਿਚਲੇ ਕੋਈ ਦਸ ਸੰਖੇਪ ਉੱਤਰ ਵਾਲੇ ਪ੍ਰਸ਼ਨ ਕਰੋ। ਹਰੇਕ ਪ੍ਰਸ਼ਨ ਦੇ 3 ਅੰਕ ਹਨ।

ਭਾਗ—A

I. ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ :

New Ventures Ltd. made an offer of 1,00,000 Equity Shares of ₹ 10 each payable as follows :

On application ₹ 2 per share

On allotment ₹ 2 per share

On first call ₹ 3 per share

On second call ₹ 3 per share.

Application were received for 1,60,000 shares and allotments were made prorata to the applicants for 1,50,000 shares, the remaining applications being refused and money refunded. Application money paid in excess by the allottees was adjusted with the money due on allotment. Romesh the holder of 200 shares failed to pay the allotment money and on his failure to pay the first call, the shares were forfeited. Karim another shareholder to whom 500 shares were allotted failed to pay the first and second call amounts and his shares were also forfeited after making the second call.

Out of the forfeited shares, 600 shares were reissued as fully paid on payment of ₹ 9 per share.

You are required to show the journal entries for recording the forfeitures and re-issue of the shares.

II. ਨਿਮਨ-ਦਰਜ ਵੇਰਵੇ ਪੜ੍ਹ ਕੇ ਲੋੜੀਂ ਦੀ ਕਾਰਵਾਈ ਕਰੋ :

The summarized balance sheet of Sahitya Company Limited on 30th June, 2006 :

Liabilities	(₹)	Assets	(₹)
Share Capital :		Sundry Assets	80,00,000
Authorised, Issued and		Cash Balance	32,00,000
Paid up : 2,00,000;			
8% Redeemable			
Preference Shares			
of ₹ 10 each	20,00,000		
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The condition of issue of redeemable Preference Shares provided to their being redeemed on 1st July, 2006 at a premium of 5%. The profits available being not sufficient to redeem the whole issue, the company issued 10,000, 10% preference shares of ₹ 100 each at par on 1st July, 2006 which were duly taken up and paid for. The redeemable preference shares were redeemed on the due date.

Show the journal entries to record the above mentioned transactions.

- III. ਡੀਬੈਂਚਰ ਮੁਕਤੀ ਫੰਡ ਤੋਂ ਕੀ ਭਾਵ ਹੈ? ਇਸ ਦਾ ਨਿਰਮਾਣ ਕਿਵੇਂ ਕੀਤਾ ਜਾਂਦਾ ਹੈ?
- IV. ਕੰਪਨੀਜ਼ ਐਕਟ ਅਧੀਨ ਅੰਡਰਰਾਈਟਿੰਗ ਕਮਿਸ਼ਨ ਦੇਣ ਸਬੰਧੀ ਕੀ ਰੋਕਾਂ ਹੁੰਦੀਆਂ ਹਨ?

ਭਾਗ—B

- V. ਨਿਮਨ-ਦਰਜ ਵੇਰਵੇ ਪੜ੍ਹ ਕੇ ਲੋੜੀਂ ਦੀ ਕਾਰਵਾਈ ਕਰੋ :

Sundir Ltd. is incorporated on 1st May, 2010. From January 1, 2010 it purchased the business of Priyanka Limited for ₹ 4,00,000 out of which ₹ 3,20,000 was paid up fully paid equity shares and the balance was paid in cash. The company also issued equity shares ₹ 3,00,000 for cash to public. Stock ₹ 40,000, Machinery ₹ 3,00,000 and Debtors ₹ 25,000 were acquired from vendors.

The purchasing company installed a new machine of ₹ 2,00,000. During the year 2010 total cash sales were ₹ 10,00,000. The sales per month in the first half of the year were one-half of what they were in the later half year. The net profit of the company after charging the following expenses was ₹ 90,000. The directors fees ₹ 20,000, Office expenses ₹ 7,500, Preliminary expenses ₹ 6,500, Depreciation ₹ 36,000, Selling expenses ₹ 18,000, Interest to vendor upto 31st May, 2010 is ₹ 2,000, Closing stock is valued at ₹ 40,000. Find out profit before and after incorporation and prepare a Balance Sheet of Purchasing Company as on 31st December, 2010.

VI. ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ :

Following is the profit and loss a/c of Lakshmikant & Company Limited for the year ending 31st March, 2005 :

Particulars	₹	Particulars	₹
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(including ₹ 8,750		By profit on sale of	
terminal depreciation)	96,250	machinery	
To compensation for		Cost ₹ 3,85,000	
breach of contract	14,000	Depreciation	
To provision for b/d	3,500	value ₹ 1,22,500	
To general reserve	10,500	Sales price ₹ 4,37,500	3,15,000
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Find out the permissible maximum commission payable for directors from the above information when :

- there is a manager to assist the directors.
- there is none other out of the manager, managing director and whole-time director to assist the directors.

- VII. ਲੇਖਿਆਂ ਦੀ ਸਹੀ ਵਹੀਆਂ ਦੀ ਰੱਖ-ਰਖਾਈ ਸਬੰਧੀ ਕੰਪਨੀਜ਼ ਐਕਟ ਦੀਆਂ ਵਿਵਸਥਾਵਾਂ ਵਿਚਾਰੋ।
- VIII. ਇਕ ਲਿਮਿਟਿਡ ਕੰਪਨੀ ਦੇ ਖਾਤਿਆਂ ਵਿਚ ਨਿਮਨ-ਦਰਜ਼ ਟਰਮਜ਼ ਕਿਵੇਂ ਪ੍ਰਗਟਾਈਆਂ ਜਾ ਸਕਦੀਆਂ ਹਨ?
- (i) ਡਾਇਰੈਕਟਰ ਵਲੋਂ ਦਿੱਤੀ ਕੋਲੋਟਰਲ ਸਕਿਓਰਟੀ।
- (ii) ਕੰਪ੍ਰੋਟੇਟਿਵ ਕਾਰਗੁਜ਼ਾਰੀ ਸ਼ੇਅਰਾਂ ਉਤੇ ਲਾਭੰਸ਼ ਦੇ ਬਕਾਏ।

ਭਾਗ—C

(ਲਾਜ਼ਮੀ ਪ੍ਰਸ਼ਨ)

- IX. ਕਿਸੇ ਦਸ 'ਤੇ ਸੰਖੇਪ ਨੋਟ ਲਿਖੋ :
1. ਪੂੰਜੀ ਦੀ ਰਾਖਵੀਂ ਰਾਸ਼ੀ।
 2. ਅਧਿਕਾਰਤ ਪੂੰਜੀ।
 3. ਲਾਭ-ਹਾਨੀ ਦਾ ਐਪਰੋਪ੍ਰੀਏਸ਼ਨ ਖਾਤਾ।
 4. ਹੋਲਡਿੰਗ ਕੰਪਨੀ।
 5. ਘੱਟ ਗਿਣਤੀ ਦੇ ਹਿੱਤ।
 6. ਅੰਤਰ-ਕੰਪਨੀ ਦੇਣਦਾਰੀਆਂ।
 7. ਕਾਲਜ਼ ਇਨ ਅਡਵਾਂਸ ਅਤੇ ਕਾਲਜ਼ ਇਨ ਏਰੀਅਰ ਵਿਚਲਾ ਅੰਤਰ।
 8. ਬੋਨਸ ਸ਼ੇਅਰ।
 9. ਸ਼ੇਅਰਾਂ ਦੀ ਵਾਪਸੀ ਖਰੀਦ।
 10. ਕੈਪੀਟਲ ਮੁਕਤੀ ਰੀਜ਼ਰਵ ਖਾਤਾ।
 11. ਫਰਮ ਅੰਡਰ-ਰਾਈਟਿੰਗ।
 12. ਅੰਡਰ-ਰਾਈਟਰ ਬਨਾਮ ਬਰੋਕਰ।