

Roll No.

Total Pages : 23

13546/NJ

E-34/2111

CORPORATE ACCOUNTING-I

Paper-304

Semester-III

Time Allowed : 3 Hours] [Maximum Marks : 70

Note : The candidates are required to attempt **two** questions each from Sections A and B carrying 10 marks each and the entire Section C consisting of 10 short answer type questions carrying 3 marks each.

SECTION—A

1. What are the provisions of redemption of Preference shares? Explain. 10

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[P. T. O.

2. A limited company issued a prospectus inviting applications for 8,000 shares of ₹10 each at a premium of ₹2 per share payable as follows :

On application ₹2 per share; on allotment ₹5 per share (including premium); on 1st call ₹3 per share; on 2nd call ₹2 per share.

Applications were received for 12,000 shares and allotment was made pro rata to the applicants of 9,600 shares, the remaining applications were refused. Moneys overpaid on applications were employed on account of sums due on allotment.

Shyam to whom 160 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited. Ramesh, the holder of 240 shares, failed

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to pay two calls, and his shares were forfeited after the second call.

Of the shares forfeited 320 shares were sold to Manohar credited as fully paid for ₹9 per share, the whole of Shyam's shares being included.

Show Journal and Cash book entries and draw the Balance sheet in the books of the company.

10

3. Mukund Limited issued ₹12,00,000 debentures during 1998 on the following terms and conditions :

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(a) A Sinking Fund Account to be created with the help of yearly appropriations of profits and similar amount should be in gilt-edged securities.

(b) The company will have the right to purchase for cancellation debentures from the market, if available below par value.

(c) The debentures should be redeemed on December 31, 2017 at a premium of 2 per cent.

On January 1, 2017 the Sinking Fund Account had a balance of ₹8,86,500 while Sinking Fund Investments Account also showed a similar amount. Debentures Account showed a balance of ₹9,00,000.

Following transactions took place during 2017:

(i) On 1st July, 2017 ₹60,000 debentures were purchased for ₹53,328 and cancelled immediately the amount being provided out of sale proceeds of investments of the book value of ₹69,000 made at ₹67,800.

(ii) Income from Sinking Fund investments
₹44,400 received on 1st July, 2017 was not
invested.

(iii) On 29th December, 2017, ₹8,46,000 was
received on the sale of remaining Sinking
Fund investments.

(iv) On 31st December, 2017 the remaining
debentures were redeemed.

Show Debentures Account, Sinking Fund
Account, Sinking Fund Investment
Account and Debenture Redemption
Account for the year ended 31st
December, 2017.

4. Explain the meaning, use and accounting treatment
of issue of Right shares. 10

SECTION—B

5. On 31-12-2002 the following Trial Balance was
prepared from the books of R : 10

Particulars	Dr.	Cr.
	₹	₹
Sundry Debtors	50,600	—
Sundry Creditors	—	10,000
Bills Receivable	5,000	—
Plant and Machinery	75,000	—
Purchases (Adjusted)	1,00,000	—
Capital	—	70,000
Freehold Premises	50,000	—
Salaries	11,000	—
Wages	14,400	—
Postage and Stationery	750	—
Carriage In	750	—

Particulars	Dr.	Cr.
	₹	₹
Carriage Out	1,000	—
Bad Debts	950	—
Bad Debt Provision	—	350
General charges	1,500	—
Cash at Bank	5,300	—
Cash in hand	800	—
Bills payable	—	5,000
Reserve	—	20,000
Sales	—	2,71,700
Closing Stock	60,000	—
	<u>3,77,050</u>	<u>3,77,050</u>

The following Adjustments are required :

- (i) R gets a salary of ₹9,000 p.a.

- (ii) Allow 5% interest on Capital.
- (iii) Bad Debt Provision to be adjusted to 2% on Sundry Debtors.
- (iv) 2½% of the Net profit to be credited to Reserve.
- (v) It was discovered in January, 2002 that stock sheets as on 31-12-2001 were overcast by ₹1,000.

You are required to prepare Trading and Profit and Loss Account for the year ended 31st Dec., 2002 and a Balance Sheet as at that date.

6. Distinguish between Holding Company and Subsidiary Company. State the provisions relating to the preparation of their accounts. 10
7. What do you understand by 'Final Accounts' of a Company? Describe in brief the various provisions of the Companies Act, 2013 regarding the preparation of Final Accounts by a Company. 10

8. Following are the Balance Sheet of A Ltd. and B Ltd. as at 31-3-2010 : 10

Liabilities	A Ltd.	B Ltd.
Share Capital (₹100 each)	13,00,000	2,00,000
Reserves	4,00,000	1,50,000
P & L A/c	2,00,000	50,000
Creditors	3,00,000	1,00,000
	<u>22,00,000</u>	<u>5,00,000</u>
Assets	A Ltd.	B Ltd.
Investments (in 80% shares of B Ltd.)	3,20,000	—
Plant & Machinery	9,00,000	1,80,000
Furniture	1,00,000	34,000
Current Assets	8,80,000	2,86,000
	<u>22,00,000</u>	<u>5,00,000</u>

Other Informations :

- Reserves and P&L A/c of B Ltd. stood at ₹50,000 and ₹30,000 at the date of acquisition of its 80% shares by A Ltd.
- Machinery (book value ₹2,00,000) and Furniture (book value ₹40,000) were revalued at ₹3,00,000 and ₹30,000 for the purpose of revaluation.

Prepare the Consolidated Balance Sheet as at 31st March, 2011.

SECTION—C

9. Answer any **ten** of the following : 10×3=30

- Re-issue of shares.
- Underwriting of shares.
- Redemption of debentures.
- Goodwill.
- Pre acquisition profits.

- (vi) Capital Reserve.
- (vii) Minority Interest.
- (viii) A Ltd. purchased the building for ₹1,98,000 from B Ltd. The payment was made by issue of 13% debentures of ₹100 each. Pass Journal entries when: (a) Debentures are issued at 10% discount, (b) Debentures are issued at 10% premium.
- (ix) X Ltd. redeem its 8,000 redeemable Preference shares at ₹10 each at par. For this purpose it issued 3,000 Equity shares of 10 each and for the balance it utilized statement of Profit and Loss which had sufficient balance. Journalize.
- (x) H Ltd. invited applications for 3,000 shares. Applications were received for 5,000 shares and pro rata allotment was made on 3,600 shares. If B has been allotted 72 shares, how

many shares he must applied for ?

- (xi) A Ltd. offered to Public the 20,000 Equity shares of ₹100 each payable as :
(a) Application ₹20, (b) Allotment ₹30,
(c) First call ₹40 and (d) Final call ₹10.
Applications were received for 20,000 shares.
Journalize.
- (xii) Subsidiary Company.

PUNJABI VERSION

ਨੋਟ : ਭਾਗ A ਅਤੇ B ਹਰੇਕ ਵਿਚੋਂ ਦੋ-ਦੋ ਪ੍ਰਸ਼ਨ ਕਰੋ ਅਤੇ ਹਰੇਕ ਪ੍ਰਸ਼ਨ ਦੇ 10 ਅੰਕ ਹਨ। ਭਾਗ C ਸਾਰਾ ਕਰੋ। ਇਸ ਵਿਚ 10 ਸੰਖੇਪ ਉੱਤਰ ਵਾਲੇ ਪ੍ਰਸ਼ਨ ਲਾਜ਼ਮੀ ਹਨ ਅਤੇ ਹਰੇਕ ਪ੍ਰਸ਼ਨ ਦੇ 3 ਅੰਕ ਹਨ।

ਭਾਗ—A

1. ਤਰਜੀਹੀ ਸ਼ੇਅਰਾਂ ਦੀ ਮੁਕਤੀ ਸੰਬੰਧੀ ਵਿਵਸਥਾਵਾਂ ਦੀ ਚਰਚਾ ਕਰੋ। 10
2. ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ: 10

A limited company issued a prospectus inviting applications for 8,000 shares of ₹10 each at a premium of ₹2 per share payable as follows :

On application ₹2 per share; on allotment ₹5 per share (including premium); on 1st call ₹3 per share; on 2nd call ₹2 per share.

Applications were received for 12,000 shares and allotment was made pro rata to the applicants of 9,600 shares, the remaining applications were refused. Moneys overpaid on applications were employed on account of sums due on allotment.

Shyam to whom 160 shares were allotted, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited.

Ramesh, the holder of 240 shares, failed to pay two calls, and his shares were forfeited after the second call.

Of the shares forfeited 320 shares were sold to Manohar credited as fully paid for ₹9 per share, the whole of Shyam's shares being included.

Show Journal and Cash book entries and draw the balance sheet in the books of the company.

3. ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਪੁਛੇ ਗਏ ਪ੍ਰਸ਼ਨਾਂ ਦਾ ਉੱਤਰ ਲਿਖੋ: 10

Mukund Limited issued ₹12,00,000 debentures during 1998 on the following terms and conditions :

- (a) A Sinking Fund Account to be created with the help of yearly appropriations of Profits and similar amount should be in gilt-edged securities.
- (b) The company will have the right to purchase for cancellation debentures from the market, if available below par value.
- (c) The debentures should be redeemed on December 31, 2017 at a premium of 2 per cent.

On January 1, 2017 the Sinking Fund Account had a balance of ₹8,86,500 while Sinking Fund

Investments Account also showed a similar amount. Debentures Account showed a balance of ₹9,00,000.

Following transactions took place during 2017:

- (i) On 1st July, 2017 ₹60,000 debentures were purchased for ₹53,328 and cancelled immediately the amount being provided out of sale proceeds of investments of the book value of ₹69,000 made at ₹67,800.
- (ii) Income from Sinking Fund investments ₹44,400 received on 1st July, 2017 was not invested.
- (iii) On 29th December, 2017, ₹8,46,000 was received on the sale of remaining Sinking Fund investments.
- (iv) On 31st December, 2017 the remaining debentures were redeemed.

Show Debentures Account, Sinking Fund Account, Sinking Fund Investment Account and Debenture Redemption Account for the year ended 31st December, 2017.

4. ਰਾਈਟ ਸ਼ੇਅਰਾਂ ਦੇ ਅਰਥ ਲਿਖੋ ਅਤੇ ਇਨ੍ਹਾਂ ਨਾਲ ਲੇਖਕਾਰੀ ਵਰਤਾਓ ਦਰਜ ਕਰੋ: 10

ਭਾਗ—B

5. ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂ ਦੀ ਕਾਰਵਾਈ ਕਰੋ: 10

On 31-12-2002 the following Trial Balance was prepared from the books of R : 10

Particulars	Dr.	Cr.
	₹	₹
Sundry Debtors	50,600	—
Sundry Creditors	—	10,000
Bills Receivable	5,000	—
Plant and Machinery	75,000	—

Particulars	Dr.	Cr.
	₹	₹
Purchases (Adjusted)	1,00,000	—
Capital	—	70,000
Freehold Premises	50,000	—
Salaries	11,000	—
Wages	14,400	—
Postage and Stationery	750	—
Carriage In	750	—
Carriage Out	1,000	—
Bad Debts	950	—
Bad Debt Provision	—	350
General charges	1,500	—
Cash at Bank	5,300	—
Cash in hand	800	—
Bills payable	—	5,000

Particulars	Dr.	Cr.
	₹	₹
Reserve	–	20,000
Sales	–	2,71,700
Closing Stock	60,000	–
	<u>3,77,050</u>	<u>3,77,050</u>

The following adjustments are required :

- R gets a Salary of ₹9,000 p.a.
- Allow 5% interest on Capital.
- Bad Debt Provision to be adjusted to 2% on Sundry Debtors.
- 2½% of the Net profit to be credited to Reserve.
- It was discovered in January, 2002 that stock sheets as on 31-12-2001 were overcast by ₹1,000.

You are required to prepare Trading and Profit and Loss Account for the year ended 31st Dec., 2002 and a Balance Sheet as at that date.

- ਹੋਲਡਿੰਗ ਕੰਪਨੀ ਅਤੇ ਸਬਸਿਡੀਅਰੀ ਕੰਪਨੀ ਵਿਚਲਾ ਅੰਤਰ ਦਰਜ ਕਰੋ। ਇਨ੍ਹਾਂ ਦੇ ਖਾਤੇ ਤਿਆਰ ਕਰਨ ਸਬੰਧੀ ਵਿਵਸਥਾਵਾਂ ਵਿਚਾਰੋ। 10
- ਕਿਸੇ ਕੰਪਨੀ ਦੇ ਅੰਤਿਮ ਖਾਤਿਆਂ ਤੋਂ ਕੀ ਭਾਵ ਹੈ? ਕੰਪਨੀਜ਼ ਐਕਟ, 2013 ਦੀਆਂ ਵਿਵਸਥਾਵਾਂ ਅਨੁਸਾਰ ਕੰਪਨੀ ਦਾ ਅੰਤਿਮ ਖਾਤਾ ਤਿਆਰ ਕਰਨ ਬਾਰੇ ਚਰਚਾ ਕਰੋ। 10
- ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ: 10

Following are the Balance Sheet of A Ltd. and B Ltd. at 31-3-2010 :

Liabilities	A Ltd.	B Ltd.
Share Capital (₹100 each)	13,00,000	2,00,000
Reserves	4,00,000	1,50,000
P & L A/c	2,00,000	50,000
Creditors	3,00,000	1,00,000
	<u>22,00,000</u>	<u>5,00,000</u>

Assets	A Ltd.	B Ltd.
Investments (in 80% shares of B Ltd.)	3,20,000	—
Plant & Machinery	9,00,000	1,80,000
Furniture	1,00,000	34,000
Current Assets	8,80,000	2,86,000
	<u>22,00,000</u>	<u>5,00,000</u>

Other Informations :

- Reserves and P&L A/c of B Ltd. stood at ₹50,000 and ₹30,000 at the date of acquisition of its 80% shares by A Ltd.
- Machinery (book value ₹2,00,000) and Furniture (book value ₹40,000) were revalued at ₹3,00,000 and ₹30,000 for the purpose of revaluation.

Prepare the Consolidated Balance Sheet as at 31st March, 2011.

ਭਾਗ—C

9. ਹੇਠ ਲਿਖਿਆਂ ਵਿੱਚੋਂ ਕਿਸੇ 10 'ਤੇ ਸੰਖੇਪ ਨੋਟ ਲਿਖੋ:

10×3=30

- ਸ਼ੇਅਰਾਂ ਨੂੰ ਮੁੜ ਕਿਵੇਂ ਜਾਰੀ ਕੀਤਾ ਜਾਂਦਾ ਹੈ?
- ਸ਼ੇਅਰਾਂ ਦੀ ਅੰਡਰ-ਰਾਈਟਿੰਗ ਤੋਂ ਕੀ ਭਾਵ ਹੈ?
- ਡੀਬੈਂਚਰਾਂ ਦੀ ਮੁਕਤੀ (ਰਿਹਾਈ) ਕਿਵੇਂ ਹੁੰਦੀ ਹੈ?
- ਗੁੱਡ ਵਿਲ ਤੋਂ ਕੀ ਭਾਵ ਹੈ?
- ਪੂਰਵ-ਪ੍ਰਾਪਤੀ ਆਮਦਨ ਕੀ ਹੁੰਦੀਆਂ ਹਨ?
- ਕੈਪੀਟਲ ਰੀਜ਼ਰਵ ਦੈ ਅਰਥ ਲਿਖੋ।
- ਘੱਟ-ਗਿਣਤੀ ਦੇ ਹਿੱਤ ਕੀ ਹੁੰਦੇ ਹਨ?
- A ਲਿਮਿਟਿਡ ਨੇ ਇਕ ਇਮਾਰਤ B ਲਿਮਿਟਿਡ ਤੋਂ ₹1,98,000 ਦੀ 13% ਡੀਬੈਂਚਰ ਅਦਾ ਕਰਕੇ ਖਰੀਦਾ। ਜਰਨਲ ਅੰਦਰਾਜ ਕਰੋ ਜਦੋਂ (ੳ) ਡੀਬੈਂਚਰ 10% ਡਿਸਕਾਉਂਟ ਤੇ ਖਰੀਦੇ ਜਾਣ, (ਅ) ਡੀਬੈਂਚਰ 10% ਪ੍ਰੀਮੀਅਮ ਤੇ ਜਾਰੀ ਕੀਤੇ ਜਾਣ।

- (ix) X ਲਿਮਿਟਡ ਨੇ 8,000 ਰੀਡੀਮੇਬਲ ਤਰਜੀਹੀ ਸ਼ੇਅਰ ₹10 ਐਟ ਪਾਰ ਤੇ ਰੀਡੀਮ ਕਰਵਾਏ। ਇਸ ਉਦੇਸ਼ ਲਈ 3,000 ਈਕੁਇਟੀ ਸ਼ੇਅਰ ₹10 ਵਾਲੇ ਬਕਾਏ ਦੀ ਅਦਾਇਗੀ ਲਈ ਦਿਤੇ ਜਿਹੜੇ ਲਾਭ-ਹਾਨੀ ਦੇ ਖਾਤੇ ਵਿਚ ਸਨ। ਜਰਨਲਾਈਜ਼ ਕਰੋ।
- (x) H Ltd. invited applications for 3,000 shares. Applications were received for 5,000 shares and pro rata allotment was made on shares he must applied for.
- (xi) A Ltd. offered to Public the 20,000 Equity shares of ₹100 each payable as :
(a) Application ₹20, (b) Allotment ₹30,
(c) First call ₹40 and (d) Final call ₹10.
Applications were received for 20,000 shares. Journalize.
- (xii) ਸਬਸਿਡੀਅਰੀ ਕੰਪਨੀ ਕੀ ਹੁੰਦੀ ਹੈ?