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Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 47807

Roll
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B. Com. (Honours) Examination 2021-22

(Even Semester)

CORPORATE ACCOUNTING

Time : Three Hours]

[Maximum Marks : 60

Note :- Attempt all questions.

SECTION - A

1. Attempt all parts of the following : $8 \times 1 = 8$

- What is an authorised capital?
- Define ESOP.
- What is corporate dividend tax?
- Mention any two objectives of financial statement.

[P. T. O.]

- (e) What is internal reconstruction?
- (f) State any four objectives of amalgamation of companies.
- (g) How do you treat the loss prior to incorporation in the book of accounts?
- (h) What are the advantages of using XBRL?

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$

- (a) B Limited forfeited 100 shares of ₹ 10 each, ₹ 10 per share being called up, which were issued at a discount of ₹ 1 per share for non-payment of first call of ₹ 3 per share. Of these forfeited shares, 80 shares were reissued subsequently by the company at ₹ 5, as ₹ 8 paid up per share. Give journal entries for the forfeiture and reissue of shares.
- (b) The following are the summarised balance sheet of M/s Rahul Brothers Private Limited March, 2014 and 2015 :

Liabilities	2014 ₹	2015 ₹
12% redeemable preference shares	—	1,000
Equity shares	4,000	4,000
	4,000	5,000
General reserves	200	200
Profit and loss account	100	120
Debentures	600	700
Creditors	1,200	1,100
Provision for taxation	300	420
Bak overdraft	1,250	680
	8,150	8,800

Assets	2014 ₹	2015 ₹
Fixed assets	4,100	4,000
Less : Depreciation	1,100	1,500
	3,000	2,500
Debtors	2,000	2,400
Stock	3,000	3,500
Prepaid expenses	30	50
Cash	120	350
	8,150	8,800

[P. T. O..]

You are required to prepare a statement of cash flow.

- (c) Differentiate between the term :
- (i) Amalgamation by way of merger
 - (ii) Amalgamation by way of purchase
- (d) What are the main components of the annual report? Why annual report is important?

SECTION - C

Note :- Attempt all questions. Attempt any two parts from each questions. $5 \times 8 = 40$

3. (a) What is a share? Discuss their different classes.

(b) X Limited has the following balance sheet as on 31st March, 2018 :

Liabilities	₹
Share capital :	
issued, subscribed and fully paid up	
10,000 ordinary shares ₹ 100 each	10,00,000
5,000 preference shares of ₹ 100 each	5,00,000

Capital reserve	1,00,000
Share premium account	1,00,000
General reserve	2,00,000
Profit and loss account	1,00,000
Current liabilities	10,00,000
	30,00,000
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Assets	₹
Fixed assets	22,00,000
Current assets	8,00,000
	30,00,000

Preference shares are to be redeemed at 10% premium. Fresh issue of equity shares is to be made to the extent required under the Companies Act for the purpose of this redemption. The shortfall in funds for the purpose of the redemption after utilising the proceeds of the fresh issue are to be met by taking a bank loan. The company decides to issue bonus shares in the ratio of one equity share for every four equity shares held. Show journal entries :

[P. T. O.]

(c) Write short notes on the following :

- (i) Buy-back of shares
- (ii) Redemption of preference shares
- (iii) Call-in-advance
- (iv) Forfeiture of shares

4. (a) The balance in profit and loss account as per balance sheet as at 31st March, 2016 is ₹ 16,300 whereas the balance in P and L account as per balance sheet as at 31st March, 2017 is ₹ 19,050.

The following information is available :

- (i) ₹ 4,250 depreciation has been charged.
- (ii) Provision for dividend amounting to ₹ 7,500 has been made.
- (iii) ₹ 2,250 has been transferred to general reserve.
- (iv) ₹ 500 dividend (gross) has been credited.

- (v) ₹ 1,1,50 loss on sale of fixed assets has been debited.
- (vi) Indirect expenses debited, amount to ₹ 15,250.

Find out gross profit, trading profit and net profit.

- (b) Explain the technique of preparing a cash flow statement with imaginary figures.
 - (c) What do you mean by pre and post acquisition profits? What are the steps in calculation of pre-acquisition profits and post-acquisition profits.
5. (a) Differentiate between external reconstruction and internal reconstruction.
- (b) ABC Private Limited was incorporated on 1st July, 2000, to take over the running business of Mr. Rahul with effect from 1st April, 2000. The following profit and loss account for the year ended 2001 was drawn up :

[P. T. O.]

Profit and Loss Account

Particulars	₹
To Commission	2,265
To Advertisement	5,250
To Managing Director's remuneration	9,000
To Depreciation	2,800
To Salaries	18,000
To Insurance	600
To Preliminary expenses	700
To Rent and taxes	3,000
To Discount	350
To Bad debts	1,250
To Net profit	54,925
	98,500

Particulars	₹
By Gross profit	98,000
By Bad debts realised	500
	98,500

The following details are available :

- (i) The average monthly turnover from July, 2000 onwards was double than that of the previous months.
- (ii) Rent for the first three months are paid at the rate ₹ 200 per month and thereafter at a rate increased by ₹ 50 per month.
- (iii) Bad debts ₹ 350 related to sales effected after 1st September, 2000 and the realisation of bad debts was in respect of debts written off during 1998.
- (iv) Advertisement expenses were directly proportionate to the sales.

You are required to find out the profit prior to incorporation and to state the treatment thereof in the books of the company.

- (c) A Limited acquires B Limited for a consideration of ₹ 38,00,000 to be satisfied in the form of fully paid equity shares of ₹ 10 each. The balance sheets of the two companies on 31st December, 2005 the date of acquisition, were as follows :

Balance Sheet
as on 31st December, 2005

Liabilities	A Ltd. ₹	B. Ltd. ₹
Share capital :		
Equity shares of ₹ 10 each	4,00,000	2,50,000
General reserves	15,00,000	30,000
Development rebate reserve	3,00,000	1,00,000
Export profit reserve	6,000	4,000
Profit & loss account	12,00,000	9,00,000
Sundry liabilities	20,00,000	16,00,000
	96,00,000	58,00,000

Assets	A Ltd. ₹	B. Ltd. ₹
Sundry assets	9,60,000	58,00,000
	96,00,000	58,00,000

You are required to pass the necessary journal entries in the books of A Limited transferee company, when amalgamation is by way of:

- (i) Merger
- (ii) Purchase

6. (a) Define annual report. What are two mandatory items of information which are to be disclosed in annual report?
- (b) What do you understand by E-filing of annual reports of companies? Explain its procedures.
- (c) What is the board report? What are the contents of directors responsibility statement?

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