

**DKM COLLEGE FOR WOMEN (AUTONOMOUS),VELLORE -1.**

**PG&RESEARCH DEPARTMENT OF COMMERCE**

**SUB: CORPORATE ACCOUNTS**

**CLASS: B.COM**

**UNIT-I**

**SECTION-A**

**2 MARKS**

1. What is pro-rate allotment of shares?
2. Explain forfeiture of Share?
3. What do you understand by capital redemption reserve?
4. What is meant by Allotment of shares?
5. What is mean by calls in arrears and call –in- Advance?
6. Define-Company?
7. Write a note a pre-Incorporation profir?
8. What is mean by preference Shares?
9. What do you mean by Capital reduction?
- 10.How are the following items treated in Bank financial accounts:
  - a) Bad debts
  - b) Reserve for bad debts
- 11.What is Time Ratio?
- 12.What is Internal Reconstruction?
- 13.What is External Reconstruction?
- 14.Define Amalgamation absorption and Reconstruction?
- 15.Describe the methods of accounting for amalgamation.
- 16.What is purchase consideration? Explain various methods of its calculation.
- 17.What is liquidator's final statement of account.
- 18.What is voluntary winding up?

**SECTION-B****5 MARKS**

1. Ganesh Ltd. Issued prospectus inviting applications for 10,000 equity shares of Rs.10 each payable as follow:

On application Rs.2 per Shares

On allotment Rs.4 per Shares

On first call Rs.4 per Shares

The issue is fully subscribed pass journal entries in the books of Ganesh Ltd., assuming that all payment due as stated above received.

- 2 . A Company issue 20,000 Shares of Rs.10 each payable Rs.3 on Application Rs.3 on allotment and the balance Rs.4 on first and final call. Final call money was not received on 2,000 Shares pass journal entries regarding first and final call.

3. A Limited Company issued 1, 00,000 equity shares at Rs.10 each at a premium of Rs.2 per Share payable as follows

On application Rs.2

On allotment Rs.5 (including premium)

On 1<sup>st</sup> Call RS.3

On final call Rs.2

All the Shares offered were subscribed by the Public and Cash fully received make the necessary journal and cash book entries.

4. A ltd., has issued Rs.1,00,000 debentures at par but repayable at a discount of 5% the debentures are redeemable on 31<sup>st</sup> December 2007. Pass the entires on redemption.

5. The summarized balance sheet of Gowr.Ltd on 31<sup>st</sup> Dec.2004 was as

<b>Liabilities</b>	<b>RS.</b>	<b>ASSET</b>	<b>RS.</b>
Share Capital		Sundry asset	9,80,000

2000, 9% redeemable	20,000	
Preference Share at Rs.100 each fully paid 80,000 equity		
Share at Rs.10 each	80,0000	
Fully paid profit	2,60,000	
Loss a/c Creditors	1,40,000	
	14,00000	14,00000

On the above rate the preferences Shares were redeemed at premium at 10% you are required to pass journal entries and give the amended balance sheet. Redemption partly out of profits and partly out of fresh issue.

6. Good will Ltd., issued 1000 6% debentures at Rs100, each give journal entries in each at the following cases.
  - a. The debentures are issued and redeemable at par.
  - b. They are issued at a discount of 6% but redeemable at par.
  - c. They are issued at a premium of 5 % but redeemable at par.
  - d. They are issued at a discount at 4% but are redeemable at a premium at 5%.The discount on issue of debentures.
7. What are the methods of Redemption of Debentures.
8. Raja Ltd., was incorporated on 01.07.1994 which took over a running concern with effect from 01.01.1994.The Sales for the period up to 01.07.1994 Rs.2,70,000 and the Sales from 01.07.1994 TO 31.12.1994 amounted to Rs.3,30,000.
 

a. Directors Fees	Rs.15,000
b. Bad debts	Rs.18,000
c. Advertisement/Rs.500 per month	Rs. 6000
d. Salaries and general expenses	Rs. 32,000
e. Preliminary expenses written off	Rs. 3000

The Gross Profit was (01.01.1994 to 31.12.1994) Rs.2,40,0000

Ascertain the profit prior to incorporation.

9. How do you apportion various expenses and Income between pre and post incorporation periods.
10. Distinguish between internal and External reconstruction.
11. Explain the various methods of calculate purchase consideration.

**PART-C**

**10MARKS**

1. Ganesh Ltd. Issued prospectors inviting application for 1000 equity share of Rs.10 each payable as follows.

On allotment Rs.4 Per Shares

On application Rs.2 per Shares

On first call Rs.4 per share

The issued of fully subscribed pass journal entries in the books of Ganesh Ltd.,

2. Good will Ltd., Issues 1000, 6% Debentures of Rs.100 each give journal entries in each of the following cases.
  - a. The debentures are issued and Redeemable at par.
  - b. They are issued at a discount of 6% but redeemable at par.
  - c. They are issued at a premium of 5 % but redeemable at par.
  - d. They are issued at a discount of 4% but are redeemable at a premium of 5%.
3. From the following particulars as certain profit prior to and after Incopration
  - a. Time Ratio                    3:5
  - b. Sales Ratio                    4:6
  - c. Gross Profit                    Rs.1000000
  - d. Expenses debited to profit and loss
 

Salaries	Rs.96,000
General expenses	Rs.12,000
Discount on sales	Rs.40,000
Advertisement	Rs.50,000
Preliminary expenses	Rs.70,000
Rent and Rates	Rs.15,000
Printing and stationery	Rs.65,000

e. Income credited to profit and loss account

Rent received	Rs.18,000
Interest received	Rs.50,000
Less: Salaries	Rs.15,000
Selling expenses	Rs. 3,000
Depreciation	Rs.1,500
Directors remuneration	Rs. 750
Debenture interest	Rs. 90
Administration expenses	Rs.4500
(Rent Rates etc)	Rs.80160

4. Draft the balance sheet of a limited company in prescribed form as per schedule of Indian companies act with imaginary figure.
5. A limited Company was registered with as authorized Capital of Rs.3000000 in equity shares of Rs.10 each the following is the list of balances extracted from its books on 31.12.1994.

Purchase	Rs.9,25,000
Wages	Rs.424325
Manufacturing expenses	Rs.65575
Salaries	Rs.70000
Bad debts	Rs.10550
Director's fees	Rs.31125
Debentures interest paid	Rs.45000
Preliminary	Rs.25000
Calls -in-arrears	Rs.37500
Plant& Machinery	Rs.1500000
Premises	Rs. 165000
Interim dividend paid	Rs.187500

Furniture and fittings	Rs.35000
Sundry Debtors	Rs.436000
General expenses	Rs.84175
Stock on 01.01.1994	Rs.3750000
Cash in hand	Rs.100000
Good will	Rs.28750
Cash at Bank	Rs.199500
Subscribed and fully called	
Up capital	Rs.2000000
Profit and loss account (cr)	Rs.72500
6% Debentures	Rs.1500000
Sundry creditors	Rs.290000
Bill payable	Rs.167500
Sales	Rs.2075000
General Reserve	Rs.125000

You are required to prepare Trading and profit and Loss account for the year ended 31.12.1994 and the balance sheet as on that date after making the following adjustments depreciate plant & Machinery by 10% provide half years interest on debentures. Also write off Rs.2500 from preliminary expenses and make provision for bad and doubtful of Rs.4250 on Sundry debtors stock on 31<sup>st</sup> December 1994 was Rs.455000.

6. What is liquidation state the various modes of liquidating accompany?
7. What are the various methods of winding up a company? Explain.
8. The Ultra Optimist Ltd went into liquidation. Its assets realized RS.3, 50,000 excluding amount realized by sale of Securities held by the secured creditors the following was the position.

Share Capital 1000 share of 100 each	
Secured creditors (Securities realized Rs.40000)	Rs.35000
Preferential creditors	Rs.6000
Unsecured creditors	Rs.140000
Debentures having a floating charge on	Rs.250000
The assets of the Company	
Liquidation expenses	Rs.5000

Liquidation remuneration	Rs.7500
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Prepare the liquidators final statement of account.