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D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS)
SEMESTER EXAMINATIONS
NOVEMBER - 2016
CORPORATE ACCOUNTING

Time: 3 Hrs

SECTION-A (10 x 2 =20)

Answer ALL the questions.

1. Define Shares.
2. What is Pro-rata Allotment?
3. Define Debentures.
4. What is Preference Shares?
5. What do you mean by Time Ratio?
6. What is Balance Sheet?
7. Define Amalgamation.
8. What is purchase consideration?
9. Define Absorption.
10. What is Liquidation?

SECTION-B (5 x 5 =25)

Answer any FIVE of the following questions.

11. Mr. Karthik is a shareholder in kiran Ltd., holding 2,000 shares of Rs.10 each. He paid Rs.3 per share on application and allotment respectively, but failed to pay Rs.7 per share for first and second calls respectively. Directors forfeit his shares. Give journal entries.
12. Anita and co. issued 50,000 equity shares of Rs.10 each to the public. The shares were issued at a premium of 10% and paid by the public. Pass journal entries in the books of company when the shares were issued.
 1. Shares are issued at par.
 2. Shares are issued at 10% premium.
 3. Shares are issued at discount of 10%.

13. Modern Ltd., has part of its share capital as 5,000 redeemable preference shares. When the shares became due for redemption, the company decided to redeem them at a premium of 10%.

16. Calculate liquidator's remuneration from the following particulars. A
including cash balance Rs.30,000 liquidator remuneration 2% on the as
17. How do you apportion various expenses and income between pre and p
18. Pass journal entries,

A company issued 1000 debentures of Rs.100 each at par.

A company issued 1000 debentures of Rs.100 each at 10% pre

A company issued 1000 debentures of Rs.100 each at 10% disc

SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (a) X Co Ltd., issued 4,000 shares of Rs.10 each at a premium of Rs.2
payable as under;

On application Rs.3 per share

On allotment Rs.4 per share (including premium)

On first call Rs.3 per share

On second call Rs.2 per share

The company received applications for 5,000 shares and the allotment

- i) Applicants for 200 shares – Nil
- ii) Applicants for 800 shares – Full
- iii) Applicants for 4,000 shares – 3,200 shares

All moneys were duly received except the first call on 200 shares and

Pass journal entries of X Co Ltd.

(Or)

- (b) Timex Co Ltd., issued 1,000 debentures of Rs.100 each. If the debentures
follows.

1. Issued at par, redeemable at par.
2. Issued at a discount of 5%, repayable at par.
3. Issued at a premium of 10%, repayable at par.
4. Issued at par, redeemable at a premium of 10%.
5. Issued at a discount of 5%, repayable at a premium of 10%.

(Or)

(b) The following particulars relate to a limited company which went into liquidation:

	Rs.
Preferential creditors	25,000
Unsecured creditors	58,000
6% debentures	30,000

The assets realized Rs.80,000. The expenses of liquidation amounting to Rs.10,000 and liquidator remuneration was agreed at 2 ½ % on the amount realized. The balance was paid to unsecured creditors including preferential creditors.

21. (a) The following balances were extracted from the books of Chandra L. on December 31, 1996.

Buildings	60,000
Furniture	20,000
Motor car	10,000
Equity shares	40,000
Stock	40,000
Sundry debtors	20,000
Cash at bank	10,000
Building	40,000
Share capital 10000 equity shares of Rs.100 each	10,00,000
Creditors	30,000
Profit and Loss A/c	
Gross profit	10,00,000
Dividend received on investment	10,000
Salaries and wages	20,000
Directors fees	10,000
Electricity charges	10,000

(Or)

(b) 'X' Ltd., and 'Y' Ltd., agree to amalgamate as from 31st December 20...
respective Balance sheets were as follows:

Liabilities	X Rs.	Y Rs.	Assets	F
Share capital:				
Shares of Re.1 each	80,000	25,000	Cash in hand	1
Sundry creditors	3,000	1,000	Cash at Bank	3,
Reserves	7,500	4,000	Sundry debtors	22
Profit & Loss A/c	2,500	1,000	Plant	12
			Stock	15
			Premises	30
			Patents	10
	93,000	31,000		93

Give the journal entries in the book of the purchasing Co. 'XY Ltd.
to take over the amalgamated concerns. Draw up the Balance Sheet

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