



WEST BENGAL STATE UNIVERSITY
B.Com. Programme 5th Semester Examination, 2020, held in 2021

FACGDSE02T-B.COM. (DSE1)

CORPORATE ACCOUNTING

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. (a) A limited company with a subscribed capital of Rs. 10,00,000 in Equity Shares of Rs. 10 each has resolved to issue fully paid bonus shares in the ratio of one equity share for every five equity shares held. The company has a balance of Rs. 1,60,000 in securities premium account and a balance of Rs. 2,00,000 in general reserve. Show journal entries in the books of the company for the issue of bonus shares. 4+6
- (b) Big Co. Ltd. issued 4,500, 15% Debenture of Rs. 100 each. Give the journal entries if the Debentures are
- (i) issued at a discount of 10% and
- (ii) issued at a premium of 10%. The Debentures are to be redeemed at par in each case.
2. The following particulars are available regarding the liquidation matters of a company: 8+2
- | | |
|----------------------------|--------------|
| Sale proceeds of assets: | Rs. 7,50,000 |
| Liquidation expenses: | Rs. 10,000 |
| Amount due to be paid: | |
| To preferential creditors: | Rs. 25,000 |
| To unsecured creditors: | Rs. 8,25,000 |
- Liquidator's remuneration: 3% of the amount realized + 4% of amount distributed to unsecured creditors
- Calculate:
- (i) the amount of liquidator's remuneration, and
- (ii) the amount paid to unsecured creditors.
3. Pass necessary journal entries for the following transactions in connection with a scheme of internal reconstruction of a company: 4+2+2+2
- (i) The company has 40,000 equity shares of Rs. 10 each, Rs. 8 per share paid-up. As per the scheme of reconstruction, uncalled capital is to be called up in full and then equity shares are to be reduced to Rs. 5 per share.

- (ii) Trade creditors of Rs. 60,000 have agreed to forgo 50% of their claim on a condition that the balance should be paid immediately.
- (iii) The company has 1,000, 11% Debentures of Rs. 100 each fully paid-up. The debenture holders agreed to surrender their existing debenture of Rs. 100 each and exchange the same for new 12.5% Debenture of Rs. 80 each.
- (iv) Fixed assets of Rs. 8,00,000 are to be written down by 40%.

4. From the following information, prepare statements showing: (a) Average Capital employed and (b) Goodwill on the basis of 5 years' purchase of the average super profit.

6+4

Liabilities	Rs.	Assets	Rs.
20,000, Equity Shares of Rs.10 each	2,00,000	Goodwill (Purchased)	30,000
1,000, 9% Preference Shares of Rs. 100 each	1,00,000	Fixed Assets	3,00,000
Reserves	1,75,000	Investments in 6% Govt. Securities	50,000
Provision for Taxation	20,000		
Creditors	65,000	Current Assets	1,80,000
	5,60,000		5,60,000

Other Information:

The current market value of the Plant is Rs. 3,20,000.

Current year's after-tax profit of the company is Rs. 90,000.

After-tax average profit of the company is computed as Rs. 68,000.

Expected rate of return is 10% and tax rate is 30%.

5. The Balance Sheet of Z Ltd. as on 31st March, 2020 was as follows:

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Liabilities	Rs.	Assets	Rs.
Share Capitals:		Bank	90,000
50,000, Equity Shares of Rs.10 each	5,00,000	Other Assets	8,10,000
1,000, 10% Redeemable Pref. Shares of Rs.100 each	1,00,000		
Reserves & Surplus:			
Securities Premium	30,000		
Profit & Loss A/c	60,000		
General Reserve	70,000		
Current Liabilities:			
Creditors	1,40,000		
	9,00,000		9,00,000

The redeemable preference shares were redeemed on the following basis:

- (i) Further 4,000 equity shares of Rs. 10 each were issued at 10% premium.
- (ii) Expenses for fresh issue of shares Rs. 5,000.

(iii) Preference shares were redeemed at a premium of 10% and the share premium account was utilized in full for this purpose.

Pass the journal entries for the above transactions in the books of Z Ltd.

6. (a) Mention any four Statutory Books to be maintained by a company.

4+3+3

কোম্পানিকে রাখতে হয় এমন যে কোনো চারটি বিধিবদ্ধ বই এর উল্লেখ কর।

(b) What do you mean by 'Consolidated Balance Sheet'?

‘একীভূত উদ্বর্ত পত্র’ বলতে তুমি কী বোঝ ?

(c) State how 'Preliminary Expenses' are shown in company accounts.

কোম্পানির হিসাবে ‘প্রাথমিক ব্যয়সমূহ’ কিভাবে দেখান হয় তা বিবৃত কর।

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. The following are the Balance Sheets of H Ltd. and its subsidiary S Ltd. as at 31st March, 2019:

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Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs.	S Ltd. Rs.
Fully Paid Equity Shares of Rs. 10 each	6,00,000	2,00,000	Machinery	3,90,000	1,35,000
General Reserve	2,40,000	80,000	Furniture	80,000	40,000
Profit & Loss A/c	1,00,000	80,000	80% Shares in S Ltd. at cost	2,40,000	—
Creditors	70,000	35,000	Stock	1,80,000	1,30,000
			Debtors	50,000	40,000
			Cash at Bank	70,000	50,000
	10,10,000	3,95,000		10,10,000	3,95,000

The following additional information is provided to you:

- Profit and Loss Account of S Ltd. stood at Rs. 40,000 on 1st April, 2019, whereas General Reserve has remained unchanged since that date.
- H Ltd. acquired 60% shares in S Ltd. on 1st October, 2018 for Rs. 2,40,000 as mentioned above.
- Included in Debtors of S Ltd. is a sum of Rs. 10,000 due from H Ltd. for goods sold at a profit of 20% on cost price. All the goods were lying in the godowns of H Ltd. as on 31st March, 2019.

You are required to prepare the Consolidated Balance Sheet as at 31st March, 2019.

8. X Ltd. invited applications for 20,000 Equity shares of Rs. 100 each at a premium of 20% payable as on application Rs. 40 per share, on allotment (including premium) Rs. 50 per share and the balance on first and final call.

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Applications were received on 18,000 shares and application money for 3,000 shares were refunded. Allotment was made in full on all other applications.

All money due was received except the first and final call on 1,000 shares which

were forfeited. Out of these forfeited shares, 500 shares were re-issued at Rs. 100 each as fully paid up.

Pass necessary Journal entries in the books of X Ltd.

9. J Ltd. and K Ltd. agreed to amalgamate by transferring their undertakings to a new company JK Ltd. formed for that purpose. On the date of transfer, Balance Sheet of the two companies were as under:

4+6+5

Liabilities	J Ltd. Rs.	K Ltd. Rs.	Assets	J Ltd. Rs.	K Ltd. Rs.
Authorised & Issued Capital: Equity Shares of Rs. 10 each Fully Paid	75,000	25,000	Freehold Property	9,000	—
5% Debentures	—	4,000	Sundry Assets	62,000	33,000
Reserve & Surplus	3,000	5,000	Debtors	15,000	8,000
Mortgage Loan (Secured on Freehold Property)	6,000	—	Investments	20,000	6,000
Sundry Creditors	4,000	8,000	Bank	8,000	4,000
Sundry Provisions	1,000	3,000			
Profit & Loss A/c	25,000	6,000			
	1,14,000	51,000		1,14,000	51,000

The purchase consideration will be calculated on the basis of following terms:

- Debentures in K Ltd. will be discharged by issue of Rs. 3,500 4% Debentures in JK Ltd.
- All the assets and liabilities of both the companies will be taken over by JK Ltd.
- JK Ltd. will issue fully paid equity shares of Rs. 10 each at a premium of Rs. 5 per share.
- For the purpose of transfer, the assets are to be revalued as under:

	J Ltd. (Rs.)	K Ltd. (Rs.)
Sundry Assets	66,000	35,000
Freehold Property	6,000	—
Debtors	13,100	4,500
Investments	15,900	5,000
Goodwill	10,000	3,000

- Show the details of the exchange of shares.
- Write up the Realization Account in the books of J Ltd. and K Ltd. to give effect to the above transactions.
- Show the Balance Sheet of the JK Ltd. immediately after the amalgamation.

10. The following balances appeared in the books of XYZ Ltd. as on 31st March 2020:

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	Debit (Rs.)	Credit (Rs.)
Equity Shares of Rs.10 each, fully paid up		6,00,000
General Reserve		2,40,000
Trade Payables		42,800
Purchases	4,95,000	

Furniture (at cost)	5,000	
Buildings (at cost)	1,50,000	
Long term Provisions		40,600
Sales		10,30,900
Salaries, Wages & Bonus	2,39,100	
Contribution to Provident Fund	27,400	
Cash at Bank	64,600	
Directors' fees	2,500	
Advertising	30,800	
Repairs & maintenance	17,600	
Audit fees	7,000	
Miscellaneous expenses	15,400	
Labour welfare expenses	31,500	
Rent, Rates & Taxes	34,300	
Plant & Equipment (at cost)	2,40,000	
Interest on Investments		8,500
Unclaimed Dividend		1,250
Trade Receivables	2,32,400	
Investments	2,80,000	
Provision for Depreciation on Fixed Assets		1,05,700
Opening Stock	1,65,800	
Advanced payment of income tax	52,000	
Surplus in Statement of Profit & Loss (01.04.2019)		20,650
Total	20,90,400	20,90,400

From the above-mentioned balances and the following information, prepare the company's Profit & Loss Statement for the year ended on 31st March 2020 and its Balance Sheet on that date:

- (i) The stock on 31st March 2020 was valued at Rs. 1,50,600.
- (ii) Provide Rs. 44,500 for depreciation on fixed assets.
- (iii) Interest accrued on investment amounted to Rs. 5,400.
- (iv) Make a provision of Rs. 48,000 for income tax.
- (v) Transfer of Rs. 30,000 to General Reserve.

11. The following particulars of a company are available for the year 2019-20:

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- (i) Equity Share Capital: 12,000 Equity Shares of Rs. 10 each
- (ii) Preference Share Capital: 900 11% Preference Shares of Rs. 100 each fully paid
- (iii) Reserves and Surplus:
 - General Reserve: Rs. 10,000
 - Profit and Loss Account: Rs. 14,000
- (iv) The normal profit (after taxation) earned each year by the company:
 - Year 2017-18: Rs. 25,000
 - Year 2018-19: Rs. 35,000

Year 2019-20: Rs. 30,000

The normal rate of return in respect of the Equity Shares of this type of company is calculated as 10%. Calculate Fair Value of each Equity Share of the company.

12. Write short notes on (Any *three*):

5×3 = 15

সংক্ষিপ্ত টীকা লেখঃ (যে-কোনো *তিনটি*)

(i) Liquidator's Final Statement of Accounts

হিসাবের ওপর অবসায়কের চূড়ান্ত বিবরণী

(ii) Amalgamation in the Nature of Merger

সংযোজন প্রকৃতির একত্রীকরণ

(iii) Authorised Capital

অনুমোদিত মূলধন

(iv) Forfeiture of Equity Shares

ইকুইটি শেয়ার বাজেয়াপ্তকরণ

(v) Capital Redemption Reserve.

মূলধন পরিশোধ সঞ্চিতি।

N.B. : *Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.*

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