



PBH-010-001306

Seat No. _____

B. B. A. (Sem. III) (CBCS) Examination

November / December - 2018

Corporate Accounting - 1

(Old Course)

Faculty Code : 010

Subject Code : 001306

Time : $2\frac{1}{2}$ Hours]

[Total Marks : 70

- Instructions :** (1) All the questions are compulsory.
(2) All the questions carry equal marks.
(3) Figures at the right side indicate marks of each question.
(4) All necessary calculations are to be shown as a part of your answer.

- 1 Devarsh Ltd. issued 40,000 equity shares of Rs. 10 each 14
at a premium of Rs. 2 per share. Amount payable per
share was as under:

On Application	Rs. 3
On Allotment	Rs. 6 (including premium)
On Final Call	Rs. 3

Applications were received for 1,00,000 shares, and allotment was made pro-rata to all the applicants. An applicant who was allotted 40 shares failed to pay allotment money and final call. Board of directors have forfeited the shares and re-issued them at Rs. 7 per share as fully paid up.

Pass the journal entries of issue of shares, forfeiture and re-issue of shares.

OR

- 1 Jay Ltd. issued 10,00,000 equity shares each of Rs. 10, 14
at a premium of Re. 1 per share. Amount payable was as
under :

On Application	Rs. 2.00
On Allotment	Rs. 4.00 (including premium)
On First Call	Rs. 2.50
On Final Call	Rs. 2.50

Applications were received for 11,00,000 shares from public. Excess applications were rejected. Directors called for both the calls. Money were not received on First Call for 10,000 shares and on final call for total 15,000 shares. These shares were forfeited and re-issued as fully paid up at Rs. 8 per share.

Pass the necessary journal entries in the books of Jay Ltd. and prepare new Balance Sheet.

- 2 Following is the balance sheet of Rashi Ltd. as on 31-12-2017. 14

Liabilities	Amt. Rs.	Assets	Amt. Rs.
8,000 equity shares each of Rs. 100	8,00,000	Fixed Assets	16,80,000
10%, 20,000 preference shares each of Rs.10	2,00,000	Investments	2,00,000
8%, 4,000 preference shares each of Rs. 100 (paid up Rs. 80 per share)	3,20,000	Current Assets	2,00,000
General Reserve	8,00,000	Bank Balance	2,00,000
Security Premium	60,000	Preliminary Expenses	1,00,000
Other Liabilities	2,00,000		
Total	23,80,000	Total	23,80,000

The company decided to redeem both types of preference shares at 4% premium. Investments are sold for Rs. 2,20,000. New 9% preference shares are issued in required number at par Rs. 100 each so that bank balance is maintained Rs. 36,000. In addition to this, one fully paid up bonus share to be given to existing shareholders for every two share held from capital redemption reserve.

Pass necessary journal entries and prepare new balance sheet.

OR

- 2 Write a detailed notes on Buy Back of Shares and its methods. 14

- 3 The balance sheet of Prisha Ltd. as on 31-12-2017 was 14
as under :

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
20,000 equity shares each of Rs. 10 (paid up Rs. 8)	1,60,000	Land and Building	1,00,000
Profit and Loss A/c	25,000	Plant and Machinery	50,000
General Reserve	65,000	Stock	10,000
10% Debentures	25,000	Debtors	40,000
Creditors	25,000	Bank Balance	1,00,000
Total	3,00,000	Total	3,00,000

Following resolutions are passed in Annual General Meeting :

- (1) To pay 10% dividend on paid up equity capital in cash.
- (2) Partly paid up shares are made fully paid up by bonus and after that one fully paid bonus share is given for every eight shares held.
- (3) Debentures are redeemed at 4% premium.

Pass the journal entries with all the necessary calculations and prepare Balance Sheet.

OR

- 3 Following is the balance sheet of Maharathi Ltd. as on 14
31-12-2017.

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
20,000 equity shares each of Rs. 100	20,00,000	Fixed Assets	30,00,000
Security Premium	2,00,000	Current Assets	10,00,000
Reserve Fund	10,00,000	Debtors	4,00,000
Profit and Loss A/c.	7,50,000	Bank Balance	1,00,000
Creditors	5,50,000		
	45,00,000		45,00,000

The Co. declared equity share of Rs. 100 each as bonus for every two shares held. For this purpose, full amount of security premium, Rs. 6,00,000 from reserve fund and remaining amount is to be taken from Profit and Loss A/c.

Pass the necessary journal entries and prepare new balance sheet.

- 4 Abhirathi Company Limited had issued 13.5% debentures 14
of Rs. 1,00,000 on 1-4-2018. It was decided that (1) every year
Rs. 20,000 is to be transferred to DRF A/c from P&L
Appropriation A/c and (2) the same amount is to be invested
in such a way which would realized yield 10% interest.
On 30-9-2012, investments of DRFI were sold at
Rs. 1,00,000 and debentures were redeemed.
Prepare D.R.F. A/c and D.R.F.I. A/c.

OR

- 4 Yaksh Ltd. has 12% 40,000 debentures at face value of 14
Rs. 100 each at 5.5% discount on 1-1-2013. Debentures are
to be redeemed as follows :
- | | |
|-------------|---------------|
| On 31-12-13 | Rs. 8,00,000 |
| On 31-12-14 | Rs. 12,00,000 |
| On 31-12-15 | Rs. 6,00,000 |
| On 31-12-16 | Rs. 10,00,000 |
| On 31-12-17 | Rs. 4,00,000 |
- From above information, prepare Debenture Discount Account.

- 5 The following is the trial balance of Prem Ltd. of Raipur 14
as on 31-12-2017.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Debenture redemption fund		
and its investments	50,000	50,000
10% Debentures	—	1,25,000
Share Capital and Call in Arrears	25,000	7,50,000
Capital Reserve	—	1,37,500
General Reserve	—	2,25,000
Share Premium	—	52,500
Provident Fund and P.F. Contribution	6,250	32,500
Production Expenses	88,000	—
Preliminary Expenses	15,000	—

Investments	4,14,250	—
Furniture	80,000	—
Plant and Machinery	2,87,500	—
Land and Building	4,25,000	—
Purchase and Sales	2,67,000	6,50,000
Opening Stock	82,500	—
Profit and Loss A/c (1-4-2016)	—	13,750
Goodwill	30,000	—
Salaries	1,42,500	—
Rent, Rates and Taxes	50,000	—
Debtors and Creditors	1,65,000	82,500
Director Fees	8,750	—
Bad debt Reserve	—	7,500
Public Deposit	—	36,500
Advance Income tax	70,000	—
Cash – Bank and Bank Loan	27,000	63,500
Postage – Telegram Expenses	16,250	—
Income from investments	—	23,750
	22,50,000	22,50,000

Additional Information :

- (1) The amount of authorized capital of company is
Rs. 25,00,000
- (2) Transfer Rs. 62,500 to general reserve.
- (3) Provide provision for taxation Rs. 35,000
- (4) Stock as on 31-3-2017 was Rs. 2,50,000
- (5) Provide 5% bad debt reserve
- (6) Outstanding expenses :

Production expenses	Rs. 6,250
Salaries	Rs. 7,500
Rent – Taxes	Rs. 3,750

- (7) Prepaid rent is Rs. 12,500
- (8) Provide depreciation on Plant – Machinery 10%, and on Furniture at 12%.
- (9) The directors have recommended 10% dividend on share capital.

Prepare Final Accounts from the above information as per vertical form.

OR

- 5** Draft a specimen of vertical form of balance sheet with **14** imaginary figures.
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