



BBH-010-001306

Seat No. _____

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

July - 2021

Corporate Accounting - I

(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) Figures to the right indicate full marks

1 "MADHAV LTD" issue for public subscription 1,000 shares 14 of Rs. 10 each at a premium of Rs. 2 per share, payable as under :

On application - 3 Rs.

On allotment - 5 Rs. (including premium)

On first call - 2 Rs.

On final call - 2 Rs.

Applications were received for 1,600 shares from which 100 applications were refused and allotment was made pro-rata to remaining applications Access money paid an application was adjusted against sums due on allotment.

Ravi to whom 100 shares were allotted failed to paid 1st call money, and final call money Rajesh who had applied for 150 shares also failed to pay final calls.

The directors forfeited and 150 shares inclusive of 100 share forfeited from Ravi were reissued at Rs. 7 per share.
Pass necessary journal entry

OR

- 1 Amidhara construction Ltd obtained necessary license 14
for construction and sale of flats. As a part of financing the project, 50,000 equity shares of Rs. 10 each were issued at par on the following terms :

Value of each share is payable as follow

on application Rs. 3	on allotment Rs. 4
on first call Rs. 2	on final call Rs. 1

Applications were received for 60,000 shares. Allotments were made on the following basis :

- (a) To applicants for 10,000 shares in full
- (b) To applicants for 20,000 shares - 15,000 shares,
- (c) To applicants for 30,000 shares - 25,000 shares,

All excess amounts paid on application to be adjusted against amount due on allotment.

The shares were fully called and paid up except amounts of allotment, first and second call not paid by those who applied for 2,000 shares out of the group applying for 20,000 shares.

All the shares on which calls were not paid were forfeited by the B.O.D. 1,000 forfeited shares were re-issued as fully paid on receipt of Rs. 8 per share. Pass the necessary journal entries in the books of company.

2 The balance sheet of smile Co. Ltd. As on 31-3-2017 is 14
as under :

Liabilities	Amt.	Assets	Amt.
Equity share capital of Rs. 10		Fixed assets	19,50,000
Each paid up Amt.		Investments	2,00,000
Rs. 9 of Per share	9,00,000	Bank bal	5,00,000
12% Red. Pre. Share capital		Other current	
of Rs. 10 each paid up		assets	8,00,000
amt Rs. 8	4,00,000		
14% Red Pref. shares cap			
of Rs. 10 each fully paid	3,00,000		
General reserve	15,00,000		
Profit & loss A/c	50,000		
Share premium	50,000		
Creditors	2,50,000		
	34,50,000		34,50,000

It was decided to redeem 12% red. Pref. shares at a premium of 10% and 14% red. pref. shares at a prem. of 5% on the date of balance sheet. Investments were sold at Rs. 1,50,000 now bank bal. to be maintained in the business is Rs. 50,000. for this purpose 15% cumulative pref. shares were issued at a premium of 10% in adequate number.

Afterwards on the same date one bonus share for two equity shares held to be given and bonus was declared for converting partly paid up equity shares into fully paid shares.

Pass necessary journal entries in the books of company.

OR

- 2 Write note on :
- (A) Objectives of Buy Back of share 7
- (B) Provision of Companies Act For Redemption of preference share. 7
- 3 (A) The DGP Co. Ltd. Has the following items in its balance sheet : 7
- | | |
|---|--------------|
| Subscribed equity share capital
(Shares of Rs. 10 each, Rs. 8 paid up) | Rs. 2,00,000 |
| General reserve | Rs. 2,00,000 |
| Profit and loss A/C (credit) | Rs. 1,00,000 |
- The company decided :
- To convert partly paid equity shares in to fully paid shares.
 - To issue bonus shares at Rs. 10 each at a premium of 25% on the basis of one equity share for every five equity shares held
- (B) Fera company Ltd. Has an authorised capital of Rs. 1,00,000 in equity shares of Rs. 100 each The issued equity share capital of the company was Rs. 4,80,000 divided into shares of Rs. 1000 each. Rs. 80 per share called - up and paid up. 7
- A sum of Rs. 4,32,000 was capitalised out of general reserve and out of the amount so capitalised directors were authorized.
- To declared a bonus dividend to make the shares fully paid, and
 - To issue 2,400 new equity shares of Rs. 100 each at a premium of Rs. 40 as bonus on the basis of one equity shares for two equity shares held.

Assuming that the resolution was given effect to, you are requested to pass necessary journal entries in the books of the company.

OR

- 3** Write notes on : (Any **Two**) **14**
- (1) Guidelines issues by SEBI for issue of Bonus Shares.
 - (2) Sources of bonus Shares
 - (3) Methods for issue of Bonus Shares.
- 4** Give the necessary journal entries at the time of redemption **14**
of debentures in each of the following cases.
- (1) A Ltd issued 5000 9% debentures of Rs. 100 each at par and redeemable at par at the end of 5 years out of capital
 - (2) B Ltd. issued 1000, 12% debentures of Rs. 100 each at par. These debentures are redeemable at 10% premium at the end of 4 years.
 - (3) H Ltd. decided to redeem Rs. 25,000, 12% debentures. It, purchased Rs. 20,000 debentures in the open market at Rs. 98.50 each the expenses being Rs. 100 and redeemed the balance of Rs. 5,000 debentures by draw of lots Journalize

OR

- 4** Navghan Company Ltd issued 1,000 18% debentures of **14**
Rs. 100 each at 3% discount on January 1, 2006.
It undertaken to repay the debentures at par as below :
- | | |
|------------|----------------|
| 31-12-2007 | 400 debentures |
| 31-12-2008 | 300 debentures |
| 31-12-2009 | 200 debentures |
| 31-12-2010 | 100 debenturer |
- Prepare debentures discount account in the books of the company.

5 Following is the Trial Balance of INDU Limited as at 14
31st December 2017.

Particular	Dr.	Cr.
Purchase & sales	3,75,000	6,15,000
Furniture	30,000	—
Goods Return	22,500	15,000
Land & Building	3,75,000	—
Debtors - Creditors	3,30,000	60,000
Bills	1,80,000	45,000
Equity share capital	—	9,00,000
10% Debentures (To be redeemed on 31-12-2023)	—	1,50,000
Stock (1-1-2017)	1,12,500	—
Bank overdraft & Cash	7,500	15,000
Plant & machinery (cost price Rs. 1,20,000)	96,000	—
Cartage outward	4,500	—
Cartage inward	3,000	—
Salary & unpaid salary	75,000	7,500
Provident fund & P. F. Contribution	3,000	30,000
Interest on debentures	7,500	—
Discount of debenture	5,250	—
D. R. Fund & D. R. F. Investment	15,000	15,000
Bad debts & B. D. Reserve	13,500	6,000
Audit fee & share Transfer fee	4,500	1,500
General reserve	—	90,000
Unpaid wage. & director's fee	7,500	750
Profit & loss a/c (1-1-2017)	—	67,500
Call in arrears & share forfeiture a/c	15,000	22,500
Wages & interest	14,250	7,500
Printing & stationary	6,750	—
Investments	3,45,000	—
Total Rs.	20,48,250	20,48,250

Additional information :

- (1) Authorized share capital of the company consists of 10,000 equity share of Rs. 100 each.
- (2) Stock on 31-12-2017 amounted of Rs. 3,00,000.
- (3) Write of Rs. 3,000 as bad debts and provide Rs. 12,000 for B. D. reserve.
- (4) Depreciate plant & machinery by 10% on straight line method.
- (5) Depreciate land & building by 10% and furniture by 5%.
- (6) Transfer Rs. 10,000 to D. R. Fund a/c & Rs. 20,000 to general reserve a/c.

Prepare Trading A/C & Profit & Loss A/C Appropriation A/C & Balance sheet from the above information.

OR

- 5** Give the specimen of vertical form of Balance sheet with imaginary figures. **14**
