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(4th Semester)

COMMERCE

Paper No. : BC–404

(Corporate Accounting)

(PART : A—OBJECTIVE)

(*Marks* : 25)

The figures in the margin indicate full marks for the questions

Answer **all** questions

SECTION—I

(*Marks* : 15)

1. Indicate whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) Premium on issue of shares can be used for issue of bonus shares.

(T / F)

(b) Managerial remuneration is to be calculated after providing for taxation.

(T / F)

(c) Insolvency is a necessary condition for the liquidation of a joint-stock company.

(T / F)

(d) Net assets basis of valuation of shares is concerned with the asset backing per share.

(T / F)

(e) External reconstruction means reduction of capital of a company.

(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×5=5

(a) Public Ltd. companies cannot issue

(i) equity shares

(ii) preference shares

(iii) deferred shares

(iv) None of the above [ ]

(b) Dividends are usually paid on

(i) paid-up capital

(ii) authorized capital

(iii) called-up capital

(iv) issued capital [ ]

(c) Reduction of capital is unlawful except when

(i) sanctioned by the creditors

(ii) sanctioned by the court

(iii) sanctioned by the shareholders

(iv) None of the above [ ]

(d) List 'H' shows

(i) creditors' account

(ii) debtors' account

(iii) shareholders' account

(iv) deficiency or surplus account [ ]

(e) Goodwill is a/an

(i) current asset

(ii) tangible asset

(iii) liability

(iv) intangible asset [ ]

3. Fill in the blanks : 1×5=5

(a) A company can redeem its ..... shares.

(b) Preliminary expense is an example of ..... asset.

(c) The amount paid by transferee company to the transferor company is called ..... .

(d) List 'C' gives the list of ..... .

(e) Goodwill should not be recorded unless ..... .

SECTION—II

(*Marks* : 10)

4. Write short notes on the following : 2×5=10

(a) Oversubscription

(b) Normal rate of return

(c) Amalgamation in the nature of merger

(d) Voluntary liquidation

(e) Superprofit

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