

2015

( 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) The shares allotted to a subscriber who has defaulted in paying any call due on his shares can be forfeited by decision of the Board of Directors.

( T / F )

(b) Balance Sheet of a Joint Stock Company is prepared in the form given in the Part II of Schedule VI of the Companies Act, 1956.

( T / F )

( 2 )

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

( T / F )

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

( T / F )

(e) When two or more companies go into liquidation and a new company is formed to take over their businesses, it is called absorption.

( T / F )

SECTION—1

( Marks : 15 )

2. Choose the correct answer and place its code in the brackets provided :

1×5=5

(a) Discount allowed on reissue of forfeited shares is debited to

(i) Forfeited Shares A/c

(ii) Discount A/c

(iii) Profit & Loss A/c

(iv) Share Capital A/c

[       ]

(b) Heavy expenditure on advertisement to launch new product is a

(i) capital expenditure

(ii) revenue expenditure

(iii) deferred revenue expenditure

(iv) None of the above

(c) Which of the following gives the list preferential creditors to be shown in Statement of Affairs?

(i) List A

(ii) List B

(iii) List C

(iv) List D

(d) For calculating the value of an equity share yield method, information is required regarding

(i) normal rate of return

(ii) net assets of the business

(iii) face value of the share

(iv) None of the above

(e) Under net assets method, the purchase consideration is calculated by calculating

(i) the net worth of the assets.

(ii) the book value of the assets

(iii) original cost of the assets

(iv) None of the above [ ]

3. Fill in the blanks : 1×5=5

(a) Shares issued to the existing shareholders out of accumulated profit is termed as .....

(b) Goods spoiled and lost by fire are credited to .....

(c) ..... is the legal procedure by which the company comes to an end.

(d) In order to know the intrinsic value of shares, it is necessary to know the value of the ..... of the company.

(e) ..... is the amount which is paid by the purchasing company for the purchase of the business of the vendor company.

( 5 )

SECTION—II

( Marks : 10 )

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

(a) Forfeiture of Shares

(b) Profit & Loss Appropriation A/c

(Marks : 10)

Write short notes on the following :

(a) Forfeiture of Shares

( 7 )

(c) Winding-up under Supervision of the Court

(d) Valuation of Shares



(e) Purchase Consideration