

2024

(FYUGP)

(2nd Semester)

COMMERCE

(Major)

Paper Code : BC/C3

(Corporate Accounting)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. (a) What do you mean by redeemable preference shares? Discuss the provisions of law with regard to redemption of redeemable preference shares as laid down in Section 55 of the Companies Act, 2013. 5+10=15

Or

(b) A company invited the public to subscribe for 100000 Equity Shares of ₹ 10 each at a premium of ₹ 1 per share (payable on allotment). Payments were to be made as follows :

On application—₹ 3

On allotment—₹ 3

On first call—₹ 3

On final call—₹ 2

Applications were received for 130000 shares; applications for 20000 shares were rejected and allotment was made proportionately to the remaining applicants. Both the calls were made and all the moneys were received except the final call on 3000 shares which were forfeited after due notice. Later all these shares were issued as fully paid @ ₹ 8.50 per share.

Pass Journal Entries. 15

2. (a) Explain the circumstances under which valuation of shares is essential and discuss the various methods of valuation of shares. 7+8=15

Or

(b) Following is the Trial Balance of Reliance Co. Ltd. as at 31st March, 2024 :

	₹	₹
Stock, 31.03.2023	75,000	—
Sales	—	3,50,000
Purchases	2,45,000	—
Wages	50,000	—
Discount	—	5,000
Furniture and Fittings	17,000	—
Salaries	7,500	—
Rent	4,950	—
Sundry Expenses	7,050	—
Surplus A/c, 31.03.2023	—	15,030
Dividends Paid	9,000	—
Share Capital	—	1,00,000
Debtors and Creditors	37,500	17,500
Plant and Machinery	29,000	—
Cash and Bank	16,200	—
Reserve	—	15,500
Patents and Trademark	4,830	—
	<u>5,03,030</u>	<u>5,03,030</u>

(4)

Prepare Statement of Profit and Loss for the year ended 31st March, 2024 and Balance Sheet as at that date. Take into consideration the following adjustments : 7+8=15

- (i) Stock on 31st March, 2024 was valued at ₹ 82,000
- (ii) Depreciation on fixed assets @ 10%
- (iii) Make a provision for income tax ₹ 13,500
- (iv) Ignore corporate dividend tax
- (v) Provide 10% provision for doubtful debts

3. (a) What is purchase consideration? Explain the different methods of calculating purchase consideration taking suitable examples. 5+10=15

Or

(b) Ledger balances of Sona Limited as on 31st December, 2023 as follows :

Cr. Balances	₹	Dr. Balances	₹
Paid-up Capital :		Fixed Assets :	
1000, 6% Preference		Land &	
Shares of ₹ 100 each	1,00,000	Building	2,00,000

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(Continued)

(5)

Cr. Balances	₹	Dr. Balances	₹
2000 Equity Shares of ₹ 100 each, fully paid	2,00,000	Plant & Machinery	2,20,000
3000 Equity Shares of ₹ 100 each, ₹ 50 paid	1,50,000	Current Assets :	
Secured Loan :		Stock	1,00,000
6% Debentures (floating charge on all assets)	1,00,000	Debtors	1,00,000
Others :		Cash at Bank	30,000
Mortgage on Land & Building	1,00,000	Surplus A/c (Negative Balance)	1,00,000
Current Liabilities :			
Sundry Creditors	90,000		
Income Tax	10,000		
	<u>7,50,000</u>		<u>7,50,000</u>

The company went into liquidation on 1st January, 2024.

The preference dividends were in arrear for three years. The arrears are payable on liquidation.

The assets were realized as follows :

	₹
Land & Building	2,40,000
Plant & Machinery	1,80,000
Stock	70,000
Debtors	60,000

The expenses of liquidation amounted to ₹ 8,000.

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(Turn Over)

The liquidator is entitled to a commission at 2% on all assets realized except cash at bank and 3% on amounts distributed to unsecured creditors.

All payments were made on 30th June, 2024.

Prepare Liquidator's Final Statement of Account. 15

4. (a) Define a holding company. Why is consolidation of financial statements of a holding company with its subsidiary necessary? What are the advantages and disadvantages of holding company? 3+4+8=15

Or

- (b) H Ltd. acquired all the shares in S Ltd. on 1st January, 2024 and, liabilities and assets of the two companies on 31st March, 2024 were as follows :

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
Share Capital	50,000	30,000	Sundry Assets	65,000	70,000
Reserve on 01.04.2023	20,000	15,000	Shares in S Ltd. at cost	50,000	—
Surplus A/c	25,000	10,000			
Sundry Creditors	20,000	15,000			
	<u>1,15,000</u>	<u>70,000</u>		<u>1,15,000</u>	<u>70,000</u>

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(Continued)

The Surplus A/c of S Ltd. had a credit balance of ₹ 3,000 on 1st April, 2023.

Prepare a Consolidated Balance Sheet as on 31st March, 2024. 15

5. (a) Define banking. Write in detail the different classifications of Bank Advances. 15

Or

- (b) Prepare Profit and Loss A/c for the year ended 31st March, 2024 of Yes Bank Ltd. from the following particulars :

	₹ (in '000)
Interest on Loan	250
Interest on Savings A/c	150
Interest on Cash Credit	160
Interest on Fixed Deposits	190
Interest on Overdrafts	70
Payment to Employees	150
Discount on Bills Discounted	40
Rent, Taxes, Insurance and Lighting	5
Commission, Exchange and Brokerage	15
Audit Fees and Expenses	10
Directors Fees and Expenses	20

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