

Exam. Code : 121103

Subject Code : 502051

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Bachelor of Commerce (Hons.) 3rd Sem.

(Batch 2024-28) (CBGS)

CORPORATE ACCOUNTING

Paper : BCO03005T

Time Allowed—3 Hours]

[Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. A company issued 40,000 equity shares of Rs. 50 each at a premium of 10%. The amount payable was as follows:

On application Rs. 10

On allotment Rs. 20

On Final Call Rs. 25

Ridham holding 70 shares did not pay final call money. His shares were forfeited. Out of these, 40 shares were reissued to Raghav at Rs. 35 per share.

Pass Journal entries to record the above transactions.

2. What do you mean by redemption of debentures? Give accounting treatment for redemption of debentures for the following :

- (i) Redemption out of profits
- (ii) Redemption out of capital

SECTION—B

3. The following is the Trial Balance of Jatin Ltd. as on 31-3-2024. Prepare final accounts for the year ended 31-3-2024.

Trial Balance

Particulars	Rs.	Rs.
Equity share capital		2,80,000
6% Debentures		75,000
Leasehold Premises	1,75,000	
Salaries	28,350	
Carriage Inwards	4,650	
Insurance	780	
Motor Lorry	16,500	
Bad debts reserve		2,100
Sales		6,36,850
Bills payable		23,000

Particulars	Rs.	Rs.
Discount		4,255
Sundry creditors		30,180
Statement of Profit and Loss		1,980
Postage	3,165	
Machinery	1,20,000	
Rent	2,850	
Purchases	2,69,100	
Directors fees	4,695	
Office expenses	5,085	
Bad debts	915	
Furniture	4,380	
Goodwill	45,000	
Opening stock	2,52,500	
Wages	28,450	
Interest on debentures	2,250	
Cash at bank	61,195	
Debtors	28,500	
	10,53,365	10,53,365

Adjustments :

- (a) Provide interest on debentures for half year.
 - (b) Write off further bad debts Rs. 500 and maintain bad debts reserve @ 5% on debtors.
 - (c) Unexpired insurance amounted to Rs. 500.
 - (d) Depreciate leasehold by 5%, machinery by 10%, and motor lorry by 20%.
 - (e) Out of profits transfer Rs. 25,000 to reserve fund and a dividend of 15% to be declared on equity share capital.
 - (f) The closing stock is valued at Rs. 55,905.
4. What is meant by amalgamation as per AS-14? Discuss the various methods of computation of purchase consideration. Also explain accounting treatment in the books of transferee company.

SECTION—C

5. From the following balances prepare Profit and Loss Account of the bank as on 31-3-2024 :

	Rs.
Interest on current accounts	20,000
Interest on loans	4,00,000
Interest on Fixed Deposits	3,00,000
Interest on Saving Accounts	50,000
Interest on Overdrafts	2,00,000
Interest on borrowing from banks	60,000

	Rs.
Dividend received	1,00,000
Director fee and allowances	25,000
Preliminary expenses	40,000
Auditors fee	10,000
Rent, rates, insurance and lighting	20,000
Bad debts	5,000
Salary and allowances	40,000
Provident fund contribution	10,000
Interest on cash credits	2,00,000
Profit on sale of investment	6,000
Depreciation on furniture	15,000
Stationery and Printing	25,000
Postage and stamps	9,000
Commission, exchange and brokerage	40,000
Discount on bill discounted	3,75,000

Other information :

- Half of the preliminary expenses are to be written off.
- Rebate on bill discounted (31-3-2023) Rs. 14,000 and Rs. 10,000 on 31-3-2024.
- Provide for doubtful debts Rs. 75,000.

6. Explain Slip System of Posting. Give its features. Discuss advantages and disadvantages.

SECTION—D

7. From the following particulars you are required to prepare Fire Revenue Account for the year ending 31-3-2016 :

	Rs.
Claims paid	4,80,000
Claims outstanding as on 1-4-2015	40,000
Claims intimated but not accepted on 31-3-2016	10,000
Claims intimated and accepted but not paid on 31-3-2016	60,000
Premium received	12,00,000
Reinsurance premiums	1,20,000
Commission	2,00,000
Commission and Re-insurance ceded	10,000
Commission and Re-insurance accepted	5,000
Expenses of management	3,05,000

	Rs.
Provision for unexpired risks as on 1-4-2015	4,00,000
Additional provision for unexpired risks as on 1-4-2015	20,000
Bonus in reduction of premiums	12,000

You are required to provide for additional reserve for unexpired risk @ 1% of net premium in addition to the opening balance.

8. Prepare with imaginary figures Revenue Account for the Life Insurance Company.