

[21]

No. of printed page: 03

SARDAR PATEL UNIVERSITY
B.B.A. (IInd Semester) Examination
2016
Tuesday, 18th October
2.00 pm - 4.00 pm
UM02CBBA04 - Corporate Accounting - I

Total Marks : 60

Note : Figures to the right indicate marks.

- Q.1 Harshiv Ltd. issued 100000 equity shares each of Rs.10 at par. The amount [15]
was payable as under :
1st January , 2015 On application Rs.2
1st March, 2015 On allotment Rs.3
1st April, 2015 On first call Rs.3
1st May, 2015 On final call Rs.2
Applications were received for 120000 shares. Applications for 20000 shares were rejected and allotment was made. One of the shareholders holding 1000 shares pays the final call money with first call money and another shareholder holding 2000 shares pays the first call money along with the final call money. As per the provisions of Table-A interest is received by the Company on Calls-in-Areas and interest is paid by the Company on Calls-in-Advance assuming that interest is received and paid. Draft necessary Journal Entries to record the above transactions.

OR

- Q.1 Shiv Ltd. invited application for issuing 100000 equity shares of Rs.10 each. [15]
The amount was payable as under:
On application Rs.2 per share
On allotment Rs.3 per share
On first & final call Rs.5 per share
Applications were received for 150000 shares and pro-rata allotment was made to all applicants as follows :
Applicants for 80000 shares were allotted 60000 shares on pro-rata basis.
Applicants for 70000 shares were allotted 40000 shares on pro-rata basis.
Smt. Parool to whom 600 shares were allotted out of the group applying for 80000 shares, failed to pay the allotment and first and final call money.
Smt. Parvati who had applied for 1400 shares out of the group applying for 70000 shares, failed to pay the first & final call money.
Pass necessary journal entries to record the above transaction.

- Q.2 On 1st January, 2011 ABC Ltd. issued 1350, 10% debentures each of Rs.100 [15]
at par, redeemable at par. It was decided to transfer Rs.30000 every year out of profits to Debenture Redemption Fund and to invest the same along with interest in 10% Central Govt. Securities.
On 30th June, 2015 debenture redemption fund investment were sold out for Rs.140000 and the debentures were paid off. Pass necessary journal entries for all years.

OR

Q.2

- (a) Discuss various types of debentures in brief. [10]
 (b) Ram Ltd. issued 2000, 10% Debentures of Rs.100 each at a discount of 5% [05]
 redeemable at a premium of 10% after 10 years.
 Give journal entries for issue and redemption of debentures.

Q.3

- (a) State the provisions relating to redemption of preference shares as per section 80 [10]
 of the Companies Act.
 (b) Shyam Ltd. wants to redeem its redeemable preference share capital of [05]
 Rs.250000 at a premium of 10%. There is a credit balance of Profit & Loss
 Account Rs.56250 and Securities Premium Account Rs.5000. The new
 shares of Rs.10 are to be issued at a discount of 5%. Calculate the
 minimum amount for which new shares are to be issued.

OR

Q.3 The balance sheet of Neel Ltd. as on 31-3-2015 is as under : [15]

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
80000 equity shares of Rs.10 each fully paid up	800000	Fixed Assets	1216000
10% Redeemable Pref. Share of Rs.100 each fully paid up	500000	Other Current Assets	685000
8% Redeemable Pref. Shares of Rs.100 each : 500000		Bank Balance	900000
Less : Calls-in-Areas at to 25 per share - 25000	475000		
Securities Premium	80000		
Profit & Loss A/c	156000		
General Reserve	480000		
Dividend Equalisation Fund	120000		
Current Liabilities	190000		
	2801000		2801000

The Company on 1-4-2015 decided to redeem both the classes of preference shares at 10% premium after complying with the provisions laid down under section 80 of the Companies Act, 1956. Out of 1000 8% Redeemable Preference Shares, on which calls are in arrear, the amount of call could be received only on 400 shares. For the purpose of redemption, the Company issued necessary equity shares at a discount of 10%. The Preference Shareholders were paid off the amount. Pass necessary Journal Entries in the books of Neel Ltd. and prepare the Balance Sheet after Redemption.

Q.4 Give specimen of a balance sheet of a Company in accordance with Companies Act, 1956 with imaginary figures. [15]

OR

Q.4 The trial balance of Harsh Ltd. as on 31st March, 2015 is given below :

[15]

Debit Balance	Rs.	Credit Balance	Rs.
Purchases (adjusted)	210000	Sales	520000
Land & Building	290000	Outstanding Salaries	2000
Plant & Machinery	100000	14% Debentures	200000
Closing Stock	90000	Depreciation on :	
		Building 50000	
Salaries	60000	P & M 55000	105000
Bank	30000	Profit & Loss A/c	25000
Sundry Debtors	125000	Unclaimed Dividend	5000
Director Fee	10000	Interest on Investment	12000
Rent	26000	Eq. Share Capital	200000
Loose tools	25000	General Reserve	40000
Debenture Interest	28000	Provision for bad Debts (1-4-14)	3000
		Interest on Debenture accrued but not due	14000
Sundry Expenses	18000	Sundry Creditors	94000
Depreciation	20000		
Bad debts	6000		
Interest accrued on Investment	2000		
Investment in Eq. Shares of 'A' Ltd.	120000		
Advance Tax	60000		
	1220000		1220000

Adjustments:

- 1) Provide for doubtful debts at 4% on sundry Debtors.
- 2) Depreciation expense includes depreciation of Rs.8000 on buildings and Rs.12000 on plant & machinery.
- 3) Transfer Rs.7600 to General reserve.
- 4) Make provision for income tax Rs.76000.
- 5) The directors recommended a dividend @ 25% on equity share capital.

Prepare Trading & Profit & Loss A/c for the year ended 31st March, 2015 and Balance Sheet as on that date (in schedule VI,.... I)



