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SUBJECT CODE NO:- 3039
FACULTY OF COMMERCE AND MANAGEMENT
B.Com S.Y Sem-III
EXAMINATION JUNE/JULY 2022
Corporate Account-I- III

[Time: 3:45 Hours]

[Max.Marks:80]

Please check whether you have got the right question paper.

- N.B.
- 1) Q. 1 is compulsory.
 - 2) Attempt any four Question from Q. 2 to Q. 7.
 - 3) Use of Calculator is allowed.

Q.1 A] Select the most appropriate answer.

05

- 1) Share discount means Price _____.
 - a) Less than face value of share
 - b) Equal to face value of share
 - c) More than face value of share
 - d) None of these
- 2) _____ is not revenue profit.
 - a) Premium on redemption
 - b) Workmen's Compensation Fund
 - c) Share for feiled A/C.
 - d) a & c
- 3) Issue of debenture is a legal process as per the _____.
 - a) Factory Act
 - b) Income Tax Act
 - c) Company Act
 - d) None of these
- 4) _____ is intangible assets.
 - a) Patent
 - b) Goodwill
 - c) Furniture
 - d) A & B
- 5) Gross Profit is normally divided in the ratio of _____.
 - a) Sales
 - b) Time
 - c) Profit
 - d) Purchase

B] Answer the following questions in one sentence each.

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- 1) What is calls in arrears ?
- 2) What is Premium on Redemption ?
- 3) What is Incorporation ?
- 4) What is entry of issue of debenture ?
- 5) What is forfeiture of shares ?

C] Fill in the blanks and rewrite the sentences.

05

- 1) Journal Entry on allotment due at Par : Share Allotment A/C or to _____.
- 2) Journal Entry on Bank overdraft is Bank A/C or to _____.
- 3) _____ is credited in case of amount received on debenture First & Final call.
- 4) Salaries, Advertisement and depreciation come under the Ratio of _____.
- 5) Outstanding Salaries in trial balance is taken in _____.

D] State the following statements are whether True or False.

05

- 1) There is Sales ratio for Gross Profit.
- 2) C. R. R. A/C can be used for issuing of bonus shares.
- 3) Profit & Loss A/C is Created to find out Gross Profit or Loss.
- 4) Interest on debenture is a income of company.
- 5) Intangible assets are not fixed Assets.

Q.2 The Balance Sheet of the Skill India Ltd., on 31st March 2019 was as follows –

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Liabilities	Rs.	Assets	Rs.
Share Capital : 5,000 Equity Shares of Rs. 100 each	5,00,000	Sundry Assets	8,60,000
2,000 12% Redeemable Preference Shares Rs. 100 each fully paid	2,00,000	Cash & Bank	1,40,000
Share Premium A/C	10,000		
Capital Redemption Reserve	90,000		
Dividend Equalisation Fund	1,10,000		
Sundry Creditors	90,000		
	10,00,000		10,00,000

- 1) The Preference Shares are to be redeemed at a premium of 5 %.
- 2) The Capital Redemption Reserve appearing in the Balance Sheet is the reserve brought into being as a result of redemption which took place in 2014.
- 3) The Company decided to issue sufficient number of new equity shares at a discount of 10 %.

Show Journal Entries and the new Balance Sheet.

Q.3 The Stand Up India Ltd., was incorporated on 1st May 2018, to take over, as a going concern, the 15 business of Mr. Anand from 1st January, 2018. The Profit & Loss A/C of the company for the year ended 31st December, 2018, was as follows :

Profit & Loss A/C

Particulars	Rs.	Particulars	Rs.
To Salaries	10,800	By Gross Profit	46,500
To Rent & Taxes	3,600		
To Insurance	900		
To Electricity	720		
To Directors Fee	900		
To Auditors Fee	480		
To Commission	1,800		
To Advertisement	1,200		
To Discount	1,050		
To Office Exp.	2,250		
To Carriage	900		
To Bank Charges	450		
To Preliminary Exp.	1,950		
To Bad Debts	600		
To Interest on Loan	900		
To Net Profit	18,000		
	46,500		46,500

Total turnover for the year ended 31st December, 2018, was Rs. 1,50,000 divided into Rs. 60,000 for the period up to 1st May, 2018 and Rs. 90,000 for remaining period.

Find out the profit earned in the 'Pre' & 'Post' incorporation periods. State how the profit earned during the respective periods may be dealt with.

Q.4 The following is the trial balance of Vinay bodhi Company Ltd. as on 31st December, 2018.

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Particulars	Rs.	Particulars	Rs.
Goodwill	30,000	Sales	1,05,000
Machinery	80,000	Share Capital	1,00,000
Buildings	50,000	Rent	3,500
Motor Car	37,000	Sundry Creditors	49,000
Bike	3,500	Bank Overdraft	12,200
Traveling Exp.	4,000	Profit & Loss A/C (1-1-2018)	22,500
Bank Charges	400	General Reserve	7,800
Salaries	15,000		
Sundry Debtors	9,600		
Interim Dividend	5,000		
Calls-in-Arrears	3,000		
Audit Fee	500		
Director's Rem.	2500		
Repairs	1,500		
Wages	8,000		
Stock (1-1-2018)	7,000		
Purchases	30,000		
Carriage Inward	2,000		
Cash	11,000		

3,00,000

3,00,000

Adjustments :

- 1) Stock on 31st December, 2018 was Rs. 6,500.
 - 2) Depreciation Machinery by 4000, Building by Rs. 2,000, Motor Car by Rs. 1,000.
 - 3) Outstanding expenses were : wages Rs. 500 and Salaries Rs. 1000.
 - 4) Director declare a final dividend at 20 % on Paid up Capital.
 - 5) Create a reserve for doubtful debts at 20 % on Debtors.
 - 6) Transfer Rs. 5000 to General reserve.
 - 7) Director's Commission 10 % on Gross Profit.
- Prepare Company's Final Account.

Q.5 Prepare Journal Entries on the following Cases – 15

- 1) Issued Rs. 5,00,000 8 % Debentures at Par, Redeemable at Par.
- 2) Issued Rs. 5,00,000 8 % Debentures at a discount of 10 % redeemable at Par.
- 3) Issued Rs. 5,00,000 8 % Debentures at a Premium of 5 %, redeemable at Par.
- 4) Issued Rs. 5,00,000 8 % Debentures at Par, redeemable at 10 % Premium and
- 5) Issued Rs. 5,00,000 8 % Debentures at a discount of 5 %, redeemable at 5 % Premium.

Q.6 The Rama Co. Ltd. issued 40,000 Equity Shares of Rs. 50 each at Rs. 60 Payable as follows. 15

On Application	Rs. 10
On Allotment (including Prem. Rs. 7)	Rs. 30
On First & Final Call (incl. Prem. Rs. 3)	Rs. 20

The Company received application only for 20,000 shares, all of which were accepted. All the amounts were collected except from Sujata who had taken 250 Shares but she failed to Pay the First & Final Call. Her shares were forfeited. 100 of these shares were re-issued to Amrapali at Rs 47 each.

Give Journal entries in the Books of Rama Co. Ltd.

Q.7 Short Note (Attempt any three) 15

- 1) Forfeited Shares
- 2) Types of Debentures
- 3) Redemption of Preference Shares
- 4) Incorporation
- 5) Trading Account