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**SUBJECT CODE NO:- CC-3381**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**B.Com S.Y (Sem.-III) (CBCGS) Examination Oct/Nov 2019**  
**Corporate Account-I- III**

[Time: Three 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.1A)** Select the most appropriate answer:

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- 1) Share premium means price.....
  - a) Less than face value
  - b) Equal to face value
  - c) More than Face value
  - d) None of them
- 2) C.R.R. Stands for .....
  - a) Company Reserve Ratio
  - b) Capital Redemption Reserve
  - c) Cash Return Rate
  - d) Company Retail Ratio
- 3) Debee is .....word.
 

(a) English	(b) French
(c) Indian	(d) Latin
- 4) Profit & Loss Account is created to find out.....
 

(a) Net Profit	(b) Net Loss
(c) Only Profit	(d) A & B
- 5) .....Ratio is taken for Profit prior to incorporation.
 

(a) Purchase	(b) Time
(c) Sales	(d) Time & Sales

**B)** Answer the following questions in one sentence each.

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- 1) What is pre incorporation?
- 2) What is trading account?
- 3) What is D.R.R.?
- 4) What is capital profit?
- 5) What is pro-rata allotment?

C) Fill in the blanks and rewrite the sentences:

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- 1) Net gain is created on .....
- 2) Share Premium A/c is..... Profits.
- 3) .....Fund is created to repayment of debenture holder.
- 4) Debit the receiver and credit the giver is ..... Account.
- 5) .....ratio is taken for office administrative expenses.

D) State the following statements are whether true or false.

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- 1) Interest on debenture is taken as post incorporation.
- 2) Patent is not an intangible assets.
- 3) Bank A/c is debited in case of issue of debenture.
- 4) Premium is not given on Redemption of Debenture.
- 5) Net gain is transferred to General Reserve.

Q.2 Mahanama Ltd. issued 10,000 9% Debenture of Rs.100 each.

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Give Journal entries if the debentures are.....

- 1) Issued at par redeemable at par.
- 2) Issued at a premium of 10% and redeemable at par.
- 3) Issued at a discount of 10% and redeemable at par.
- 4) Issued at a par and redeemable at premium of 10% and
- 5) Issued at a discount of 10% and redeemable at a premium of 10%.

Q.3 Aba Co. Ltd. invited for 10,000 shares of Rs.100 each at a discount of Rs.5 per share. The amount was to be paid as follows:

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Application	Rs. 20
Allotment	Rs. 30
First & Final Call	Rs.45 (Discount)

The public applied for 10,000 shares and these were allotted. All money due were collected with the exception of the first & final call on 400 shares and the company forfeit these shares. 200 of these shares were reissued as fully paid for the payment of Rs.80 per share.

Pass Journal entries in the books of Aba Col. Ltd.

Q.4 The following is the trial balance of Sujata Auto Company Ltd. as on 31<sup>st</sup> December, 2018.

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Particular	Amount	Particular	Amount
Goodwill	1,500	Sales	5,250
Machinery	4,000	Share Capital	5,000
Building	2,500	Rent	175
Motor Car	1,850	Sundry Creditors	2,450
Printing & Stationary	175	Bank Overdraft	610
Traveling Expenses	220	Profit & Loss App.	1,125
Salaries	750	General Reserve	390

Sundry Debtors	480		
Interim Dividend	250		
Calls-in-arrears	150		
Audit Fee	25		
Director's Remuneration	125		
Repairs	75		
Wages	400		
Opening Stock	350		
Purchases	1,500		
Carriage Outward	100		
Cash at Bank	550		
	15,000		15,000

Additional Information:

- 1) Stock on 31<sup>st</sup> December, 2018 was Rs.325.
- 2) Depreciation: Machinery by Rs.200 Buildings by Rs.100 and Motor Car by Rs.50.
- 3) Outstanding expenses were: Wages Rs.25 and Salaries Rs.50.
- 4) Directors declared a final dividend at 20% on paid up capital.
- 5) Create a reserve for doubtful debts at 5% on Debtors.
- 6) Transfer Rs.250 to general reserve.

Prepare Company' Final Account.

**Q.5** The Balance Sheet of Gananyak of Motors Ltd. on 31<sup>st</sup> December , 2018 was as follows:

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Liabilities	Rs.	Assets	Rs.
30,000 Equity Shares of Rs.10 each	3,00,000	Fixed Assets	6,30,000
5000 Redeemable Pref. shares of Rs.100 each	5,00,000	Investment	2,00,000
Shares Premium A/c	30,000	Cash at Bank	80,000
General Reserve	1,50,000	Debtors	2,25,000
Profit & Loss A/c	1,70,000	Stock	1,35,000
Sundry Creditors	1,20,000		
	12,70,000		12,70,000

On 1<sup>st</sup> January 2019 it was decided to redeem the preference shares at a premium of 10% the company took the following steps in this regard.

- 1) It issued for cash so many equity shares of R.10 each at premium of 10% as were necessary to provide for redemption.
- 2) Investment is sold for Rs.1,80,000.

- 3) It arranged a bank overdraft to the extent necessary.

The redemption was carried out. Give Journal entries and prepare the Balance sheet after redemption.

**Q.6** Sarika Ltd was registered on 1<sup>st</sup> January 2010 to buy over the business of M/s Kaka Ltd as on 1<sup>st</sup> October 2018 and obtained its certificate for commencement of business on 1<sup>st</sup> February 2019. The accounts of the Company for the period ended 30<sup>th</sup> September 2019 disclosed the following facts.

- (1) The turnover for the whole period amounted to Rs.3,00,000 of which Rs.50,000 related to the period from 1<sup>st</sup> October 2018 to 1<sup>st</sup> February 2019.
- (2) The Trading Account showed a Gross Profit of Rs.1,20,000.

Particular	Rs.
Director's Fees	2,000
Auditors Fees	1,000
Rent, Rates and Taxes etc.	5,400
Bad Debts (of which Rs.1,000 related to Book Debts created before 1 <sup>st</sup> February 2019)	3,000
Salaries	18,000
Advertising	6,000
Traveling Expenses	9,000
Commission on Sales	1,200
General Expenses	2,100
Debenture Interest	4,000
Preliminary Expenses	2,000
Depreciation on Plant	1,200
Printing & Stationary	1,500
Interest to Vendors @12% on Rs.50,000 from 1.10.2018 to 31.5.2019.	4,000

Prepare a statement showing the amount of profit made before incorporation and after incorporation.

**Q.7** Short notes (Attempt any three)

- 1) Redemption of Debentures
- 2) Revenue Profit
- 3) Pre & Post incorporation
- 4) Issue of Shares
- 5) Profit & Loss Appropriation A/c

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