

X-3037

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SUBJECT CODE NO: - X-3037
FACULTY OF COMMERCE AND MANAGEMENT
BCOM (CBCGS)(Pattern-2018-22) S.Y SEM III
Examination April / May - 2024
Corporate Account-I- III

[Time:3:00 Hours]

[Max. Marks:80]

Please check whether you have got the right question paper.

N. B

- 1) Question one is compulsory
- 2) Attempt any four questions from Q. 2 to Q.7
- 3) Use of calculator is allowed

Q.1 A) Fill in the blank and rewrite the sentence:

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- 1) Redemption fund is also as _____ fund
- 2) Forfeiture of share is cancellation and not refund of _____ amount
- 3) Discount unissued of Debenture is recorded on _____ side of balance sheet
- 4) Share Premium account is to be _____ on issue of shares at premium
- 5) Redemption means _____

[B] Answer in one sentence:

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- 1) What is the time limit to issue share certificate on allotment of shares?
- 2) What is Public Issue?
- 3) What is final account?
- 4) What is the profit prior to incorporation?
- 5) Who is debenture holder?

[C] State the following statement are whether true or false:

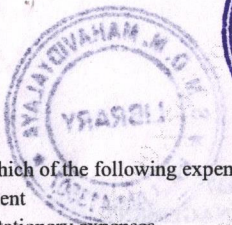
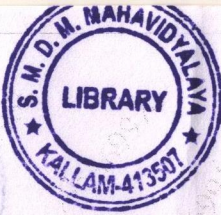
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- 1) Forfeited shares can be reissued to new shareholder
- 2) The first stage in the formation of a Joint Stock Company is promotion.
- 3) Redemption of debenture is refunding amount at discount after fixed period
- 4) Trade and cash discount is capital loss of business
- 5) Gross profit should be distributed in the time ratio.

[D] Select the most appropriate answer :

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- 1) Profit & Loss statement is also known as
 - a) Statement of operations
 - b) Statement of income
 - c) Statement of earnings
 - d) All of the above



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- 2) Which of the following expenses is not distributed based on time.
 - a) Rent
 - b) Salary
 - c) Stationery expenses
 - d) None of the above
- 3) Redeemable Preference shares can be redeemed out of
 - a) The sale proceeds of Investments
 - b) The proceeds of a fresh issue of shares
 - c) Share premium
 - d) The proceeds of issue of debentures
- 4) Premium on the issue of shares is shown on which side of the balance sheet?
 - a) Assets
 - b) Liabilities
 - c) Both Assets & Liabilities
 - d) None of the above
- 5) The profit of post incorporation period is called
 - a) Revenue profit
 - b) capital profit
 - c) Both a & b
 - d) none of the above



Q.2 ABC Co. Ltd invited for 5,000 Shares of Rs. 100 each at a discount of Rs.5 per Share .The amount was to be Paid as following, with Application Rs.20, on Allotment Rs 30, on Final Call Rs.45 (discount offer).

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The public applied for 5,000 Shares and these were allotted .All money due were collected with the exception of the first and final call on 200 Shares and the company forfeits these shares 100 of these shares were reissued as fully paid for the payment of Rs.80 per shares.

Give the Journal Entries.



Q.3 The Abhidnya Co.Ltd has an Authorizes capital of Rs. 10, 00,000 divided into 10,000 equity share of Rs.100 each. The trial balance as on 31st March 2020 was as follows

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Particulars	Dr.	Cr.
Land and Building	4,00,000	
Machinery	8,00,000	
Loose tools	45,000	
Furniture	20,000	
Preliminary Expenses	25,000	
Call in arrear	10,000	
Call in advance		5,000
Cash in hand	25,000	
10% Govt.Bond	50,000	
Bill receivable	65,000	
Motor Vehicle	75,000	
Good will	80,000	

Sundry Debtor	1,00,000	
Sundry Creditor		2,00,000
Reserve		1,00,000
Bills Payable		40,000
Bank overdraft		72,500
Purchases and Return	14,50,000	20,000
Advertising	10,000	
Sales and Return	25,000	15,00,000
Legal Charges	5,000	
Carriage inward	20,000	
Wages	1,25,000	
Rent, rate and insurance	25,000	
Share Capital		10,00,000
12% Debenture		5,00,000
Trade Expenses	7,500	
Interim dividend	75,000	
Total	34,37,500	34,37,500

Additional Information :

- 1) Closing Stock Rs.:-3,00,000
- 2) Depreciation on Machinery 5%, Furniture 5%, Loose tools 10%
- 3) Create RDD. 5% on Debtors
- 4) Outstanding Rent Rs.2500
- 5) Transfer Rs 25,000 to General Reserve

Q.4 ABC Co. was incorporated on August 1 2019. It had acquired a running business of XYZ Co. with effect from 1 April 2019. During the year 2019-2020 the total sales were Rs. 18, 00,000. 15

The sales per month in the first half year were half of what they were in the later half year. The net profit of the company Rs.1,00,000 was worked out after charging the following expenses

- i) Depreciation Rs.61,500
- ii) Directors fees Rs.25,000
- iii) Preliminary expenses Rs.6,000
- iv) Office expenses Rs.39,000
- v) Selling expenses Rs.36,000
- vi) Interest to vendors up to 31st August 2019 Rs.2,500

You are required to ascertain pre-incorporation and post-Incorporation profit for the year ended 31st March 2020.



Q.5 The following is balance sheet of Shobha Co.Ltd

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Liabilities	Amount	Assets	Amount
Share Capital		Sundry Asset	2,50,000
1,000 Equity Shares of Rs.100 each	1,00,000	Cash at Bank	85,000
1,000, 7% Redeemable Preference Shares of Rs.100 each	1,00,000		
Profit and Loss A/c	5,000		
Reserve Fund	80,000		
Sundry Creditors	50,000		
Total	3,35,000		3,35,000

The Company has decided to redeem the Preference Shares at a Premium of 5% half of the reserve fund will be utilized for this purpose and the balance sheet to be met from the proceeds of fresh issue of sufficient number of shares at a premium of 4%. The balance of profit and loss account may be utilized for providing premium on redemption.

Give the journal entries and show the balance sheet

Q.6 Make necessary entries in the books of Vishwesh Ltd. In following cases

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- A) 2,500, 13% Debentures of Rs.100 each were issued. The whole amount is payable on Application. The issue was fully subscribed for and was fully Paid up.
- B) 2,500, 13% Debentures of Rs.100 each were issued at a premium of Rs.10 per debenture payable as Rs.25 on Application, Rs.35 on allotment (including premium) And the balance on call. Mr.X holder of 100 debentures did not pay the allotment and Call money. Rest of the amount was duly received.
- C) 2,500, 13% Debentures of Rs.100 each were issued at Rs.95 per debenture payable as Rs.30 on Application, Rs.50 on allotment and the balance on call. Mr. Y holder holding 50 debentures did not pay the call money and Mr. Y another holder holding 100 debentures paid the whole amount due along with the allotment money.

Q.7 Write to Short notes (Attempt any three)

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- 1) Profit Prior to Incorporation
- 2) Financial Statement of a company
- 3) Redemption of Debentures
- 4) Procedure of issue of shares
- 5) Redeemable Preference Shares

