

**2024/TDC (CBCS)/EVEN/SEM/
COMHCC-201T/178**

TDC (CBCS) Even Semester Exam., 2024

COMMERCE

(2nd Semester)

Course No. : COMHCC-201T

(Corporate Accounting)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

UNIT—I

1. Answer any two of the following questions :

2×2=4

(a) What do you mean by forfeiture of shares?

(b) Point out two methods of redemption of debentures.

(c) State any two advantages of buyback of shares.

(2)

2. Answer any one of the following questions : 10

(a) NIIT Co. Ltd. issued 10000 shares of ₹ 100 each at a premium of 10% payable as follows :

On Application—₹ 30

On Allotment—₹ 60

(including premium)

On Call—₹ 20

Trishit holding 400 shares failed to pay the allotment and call money.

Partha holding 700 shares failed to pay the call money.

All these shares were forfeited and subsequently 750 shares (including 350 shares of Partha) reissued as fully paid-up for ₹ 80 per share.

Give Journal Entries to record the above transactions.

(b) Discuss the method of redemption of debenture by annual drawings with the help of an illustration.

UNIT—II

3. Answer any two of the following questions :

2×2=4

(a) What do you understand by provision for taxation?

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(Continued)

(3)

(b) What is reserve capital?

(c) Write any two differences between Issued Capital and Subscribed Capital.

4. Answer any one of the following questions : 10

(a) Give the new format (vertical form) of the Company's Balance Sheet as per required revised schedule of the Companies Act, 2013.

(b) The following balances of accounts are extract from the books of Banik & Co. Ltd. for the year ending 31st March, 2024 :

Dr. Balances	₹	Cr. Balances	₹
Rent & Taxes	12,000	Share Capital :	
Sundry Debtors	2,40,000	60000 Equity Shares	
Interest on		of ₹ 10 each	6,00,000
Bank Loan	4,000	Sundry Creditors	1,20,000
Advertising	24,000	Discount Received	2,800
Bad Debts	2,000	Bank Loan (interest	
Cash at Bank	21,000	@ 12% p.a.)	40,000
Cash in Hand	5,400	Gross Profit	2,24,700
Discount Allowed	4,050		
Audit Fees	5,400		
Furniture	45,000		
Travelling Expenses	4,600		
Salaries	1,37,550		
Building	2,90,000		
Plant & Machinery	1,50,000		
Closing Stock	42,500		
	<u>9,87,500</u>		<u>9,87,500</u>

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(Turn Over)

(4)

Additional Information :

(i) Depreciation is to be provided as follows :

Furniture @ 10%

Plant and Machinery @ 20%

Building @ 10%

(ii) Salaries outstanding on 31st March, 2024—₹ 12,000

(iii) Provide 2% for discount on debtors and create a provision for doubtful debts @ 5% on debtors

Prepare a Profit & Loss A/c of Banik & Co. Ltd. for the year ended on 31st March, 2024.

UNIT—III

5. Answer any *two* of the following questions :

2×2=4

(a) What are the methods of valuing the shares of a company?

(b) Write a note on Super Profit method of valuation of goodwill.

(c) Mention two circumstances under which shares have to be valued.

(5)

6. Answer any *one* of the following questions : 10

(a) Describe the need for valuation of shares. Explain and illustrate the different methods of valuation of goodwill.

(b) Prachi Ltd. proposed to purchase the business carried on by Pinak. Goodwill for this purpose is agreed to be valued at three years purchase of the—

(i) Simple Average Profits;

(ii) Weighted Average Profits of the past four years. The appropriate weights to be used are :

2020—1; 2021—2; 2022—3;
2023—4

The profits for these years are :

	₹
2020	1,01,000
2021	1,24,000
2022	1,00,000
2023	1,50,000

On a scrutiny of the accounts, the following matters are revealed :

(1) On 1st September, 2022, a major repairs was made in respect of the plant incurring ₹ 30,000 which amount was charged to revenue.

The said sum is agreed to be capitalized for goodwill calculation subject to adjustment of depreciation of 10% p.a. on reducing balance method

- (2) The closing stock for the year 2021 was overvalued by ₹ 12,000
- (3) To cover management cost, an annual charge of ₹ 24,000 should be made for the purpose of goodwill valuation

Compute the value of goodwill of the firm.

UNIT—IV

7. Answer any *two* of the following questions :

2×2=4

- (a) What is meant by subsidiary company?
- (b) What is pre-acquisition (capital) profit?
- (c) How would you calculate the minority interest for a holding company?

8. Answer any *one* of the following questions : 10

- (a) What information according to the Companies Act, 2013 is required to be attached to the Balance Sheet of a holding company in respect of each its subsidiary companies?

- (b) H Ltd. acquired all the shares of S Ltd. on 1st January, 2023 and balances taken from the books of the two companies on 31st March, 2023 were as follows :

	H Ltd. ₹	S Ltd. ₹
I. Equity and Liabilities :		
1. Shareholders' Funds :		
(a) Share Capital :		
Shares of ₹ 10 each	8,00,000	3,00,000
(b) Reserves and Surplus :		
(i) Reserve on 01.04.2022	2,10,000	40,000
(ii) Surplus A/c	50,000	30,000
2. Current Liabilities :		
(a) Creditors	3,50,000	1,60,000
(b) Bills Payable	40,000	20,000
	<u>14,50,000</u>	<u>5,50,000</u>
II. Assets :		
1. Non-Current Assets :		
(a) Property, Plant & Equipment :		
(i) Land & Building	4,00,000	2,70,000
(ii) Plant & Machinery	2,00,000	1,00,000
(iii) Furniture & Fixtures	50,000	20,000
(b) Investment in shares of S Ltd.	5,00,000	—

	<i>H Ltd.</i>	<i>S Ltd.</i>
	₹	₹
2. Current Assets :		
(a) Stock	1,50,000	80,000
(b) Sundry Debtors	1,00,000	60,000
(c) Bank Balance	50,000	20,000
	<u>14,50,000</u>	<u>5,50,000</u>

Surplus A/c of S Ltd. had a credit balance of ₹ 6,000 on 1st April, 2022.

Prepare a Consolidated Balance Sheet as on 31st March, 2023.

UNIT—V

9. Answer any *two* of the following questions :

2×2=4

- (a) What are non-performing assets of banks?
- (b) What is reinsurance?
- (c) Point out any two distinction between 'claims by death' and 'claims by maturity' in Life Insurance Business.

10. Answer any *one* of the following questions : 10

- (a) What are the different types of insurance? State in brief the statutory books maintained by a Life Insurance Company.

(b) From the following particulars, prepare Profit & Loss A/c of Central Bank of India for the year ended 31st March, 2023 :

	₹
Interest on Loan	2,59,000
Interest on Fixed Deposit	2,75,000
Rebate on Bills Discounted on 01.04.2022	27,000
Commission Charged to Customers	8,200
Establishment Expenses	54,000
Discount on Bills Discounted	1,32,000
Interest on Cash Credit A/cs	2,23,000
Interest on Current A/cs	42,000
Rent and Taxes	18,000
Interest on Overdraft	53,000
Directors & Auditors Fees	4,200
Interest on Savings Bank Deposit	68,000
Bad Debts	600
Postage and Telegram	1,400
ATM Charges	100
Paid for Printing & Stationery	3,100
Sundry Charges (Dr.)	1,700
Interchange Fee Collected	800
Interchange Fee Paid	300
Credit Card Insurance Fee	2,000
Proposed Dividend	700
Transfer to Central Government	350
Rebate on Bills Discounted on 31.03.2023	49,000
Stationery in Hand on 31.03.2023	200

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