

U.G. 5th Semester Examination - 2020

COMMERCE

[HONOURS]

Course Code : BCOM-H-CC-T-11

(Corporate Accounting)

Full Marks : 60

Time : 2½ Hours

The figures in the right-hand margin indicate marks.

Candidates are required to give their answers in their own words as far as practicable.

1. Answer any **ten** questions: 2×10=20
 যে-কোনো দশটি প্রশ্নের উত্তর দাও :
- Name two widely applied methods for the valuation of shares.
 শেয়ারের মূল্যায়নের জন্য সবচেয়ে বেশি ব্যবহৃত দুটি পদ্ধতির উল্লেখ কর।
 - What do you mean by ex-interest price?
 সুদ বর্জিত দর বলতে কি বোঝ?
 - Write the three main items under 'Shareholder's Fund'.
 শেয়ার হোল্ডার ফান্ড এর তিনটি প্রধান উপাদানের নাম লেখ।
 - What is Minority Interest?
 Minority Interest কি?
 - Mention any two methods for valuation of Goodwill.
 সুনাম মূল্যায়নের দুটি পদ্ধতির উল্লেখ কর।

[Turn Over]

- What is Internal Reconstruction of a company?
 কোম্পানির অভ্যন্তরীণ পুনর্নির্মাণ বলতে কি বোঝ?
- What is unclaimed dividend?
 অ-দাবিকৃত লভ্যাংশ বলতে কি বোঝ?
- What do you understand by Holding Company?
 হোল্ডিং কোম্পানি বলতে কি বোঝ?
- What is Securities Premium Account?
 Securities Premium Account বলতে কি বোঝ?
- State the meaning of Purchase Consideration as per AS-14.
 AS 14 অনুযায়ী ক্রয় প্রতিদান এর সংজ্ঞা দাও।
- What are the different methods of redemption of debentures?
 Debentures পরিশোধের বিভিন্ন পদ্ধতির উল্লেখ কর।
- Define Limited Liability Partnership (LLP).
 সীমিত দায়যুক্ত অংশীদারীত্বের সংজ্ঞা দাও।
- Write the different forms of Amalgamation.
 সংযুক্তিকরণের বিভিন্ন রূপগুলি লেখ।
- Write the journal entry for writing off discount on issue of debentures.
 অবহারে debenture বিলির 'অবহার' মুছে ফেলার জাবেদা দাখিলাটি লেখ।
- What preferences (any two) are attached to a preference share?
 অগ্রাধিকার শেয়ার সমূহের অগ্রাধিকারগুলি কি কি (যে কোন দুটি)?

2. Answer any **four** questions: 5×4=20

যে-কোনো চারটি প্রশ্নের উত্তর দাও :

i) RR Ltd. has the following Balance Sheet as on 31.03.2020:

Balance Sheet of RR Ltd. as on 31.03.2020

Particulars	Note No.	Amount (Rs.)
(1)	(2)	(3)
I. EQUITY AND LIABILITIES		
(1) (a) Share Capital	(1)	15,00,000
(b) Reserve and Surplus	(2)	5,00,000
(c) Money Received against Share Warrants		
(2) Share Application Money Pending Allotment		–
(3) Non-Current Liabilities:		
(a) Long-term Borrowings		5,00,000
(4) Current Liabilities:		
(a) Short-term Borrowings		–
(b) Trade Payables		5,00,000
TOTAL		30,00,000
II. ASSETS		
(1) Non-current Assets:		
(a) Property, Plant and Equipment		
(i) Tangible Assets		22,00,000
(2) Current Assets:		
(a) Current Investment		–
(b) Inventories		4,00,000
(c) Trade Receivables		2,00,000
(d) Cash and cash Equivalents		2,00,000
TOTAL		30,00,000

Notes to Accounts:

(1) Share Capital

(2) Reserve and Surplus

Particulars	Rs.	Particulars	Rs.
<i>Authorised Capital:</i>		Capital Reserve	1,00,000
20,000 Equity Shares of Rs. 100 each	20,00,000	Securities Premium	50,000
5,000 Redeemable Preference Shares of Rs.100 each	5,00,000	General Reserve	2,00,000
	25,00,000	Profit and Loss Account	1,50,000
			5,00,000

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(3)

[Turn Over]

Issued, Subscribed and Paid-up Capital 10,000 Equity shares of Rs.100 each 5,000 Redeemable Preference Shares of Rs.100 each	10,00,000	(3) Property, Plant and Equipment (i) Tangible Assets Land and Building Plant and Machinery	12,00,000
	5,00,000		10,00,000
	15,00,000		22,00,000

The preference shares are to be redeemed at 10% premium. Fresh issue of equity shares is to be made to the extent it is required under the Companies Act for the purpose of this redemption. The shortfalls in funds for the purpose of the redemption after utilizing the proceeds of the fresh issue are to be met by taking a bank loan.

Show Journal Entries. (ইংরাজী প্রশ্ন দেখ)

ii) The following items appeared in the books of Simco Ltd. On 01/04/2020:

a) Debenture Redemption Fund Rs. 60,000 represented by investments of an equal amount (nominal value Rs. 75,000).

b) The 12% Debentures stood at Rs. 90,000.

The company sold required amount of investments at 90% for redemption of Rs. 30,000 debentures at a premium of 20% on the above date.

Show the-

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(4)

(A) Debenture Redemption Fund Investment Account and (B) Debenture Holders Account.

(ইংরাজী প্রশ্ন দেখ)

iii) From the following information, calculate the value of goodwill as on 31/03/2020:

(a) Equity Share Capital -	Rs. 4,00,000
(b) 10% Preference Share Capital -	Rs. 1,00,000
(c) Reserve and Surplus -	Rs. 90,000
(d) 9% Debenture -	Rs. 1,00,000
(e) Depreciation Fund -	Rs. 60,000
(f) Creditors -	Rs. 70,000

Market value of assets is Rs. 90,000 more than the book value and non-trade investment included in assets Rs. 1,30,000.

Profits for last three years after 40% tax were:

2017-18: Rs.84,000;

2018-19: 1,08,000;

2019-20: 1,05,000

Non-trade income of Rs. 14,400 (before tax) is included in the amount of profit for 2018-19 only. Fair return on capital employed in this type of business is estimated at 12%.

Goodwill is to be valued on the basis of 4 years purchase of Super Profit. (Take Simple Average Profit).

(ইংরাজী প্রশ্ন দেখ)

iv) The following particulars of Moonlight Co. Ltd. are follows:

Fixed assets – Rs. 5,80,000; Goodwill – Rs. 50,000; Current assets – Rs. 1,80,000; Discount on issue of debentures Rs. 10,000; 5% Debentures Rs. 1,00,000; Current liabilities – 1,30,000.

The net profits after tax for three years were:

2018 – Rs. 51,600; 2019 – Rs. 52,000; 2020 – Rs. 51,650 of which 20% was placed to reserve and fair rate of return on investment is 10%.

Issued capital – 40,000 Equity shares of Rs. 10 each fully paid up.

Compute the value of the company's share by- (a) the Assets Backing Method and (b) the Dividend Yield Method.

(ইংরাজী প্রশ্ন দেখ)

v) State under which head the following accounts should be classified in Balance Sheet as per Schedule III of the Companies Act, 2013-

- Share application money received in excess of issued share capital.
- Unpaid matured debentures and interest accrued thereon.

- c) Calls unpaid.
- d) Intangible Assets under development.
- e) Money received against share warrant.
- f) Long-term maturity of finance lease obligation.

(ইংরাজী প্রশ্ন দেখ)

- vi) Neem Ltd. had on 31st March, 2019, 80,000 Equity Shares of Rs. 10 each, fully paid up. The company decided to reduce it to Rs. 8 per share fully paid up. On 1st October, 2020, necessary legal formalities were completed.

You are required to pass necessary journal entries and also show how the paid-up capital will appear in the Balance Sheet as on 31st March 2019 and 2020.

(ইংরাজী প্রশ্ন দেখ)

- 3. Answer any **two** questions: 10×2=20

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

- i) The summarized Balance Sheets of Bright Ltd. and Light Ltd as at 1st April, 2020 are as under:

Particulars (1)	Note No. (2)	Bright Ltd (3)	Light Ltd (4)
III. EQUITY AND LIABILITIES			
(1) (a) Share Capital – Equity Share of Rs. 10 each fully paid		3,00,000	5,00,000
(b) Reserve and Surplus – General Reserve		1,80,000	1,80,000
Profit and Loss Account		1,90,000	1,00,000
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities:		-	-
(4) Current Liabilities: Trade Payables - Creditors		30,000	20,000
TOTAL		7,00,000	8,00,000
(1) ASSETS			
(1) Non-current Assets:			
(a) Property, Plant and Equipment			
(i) Tangible Assets – Land & Building		5,00,000	4,50,000
(2) Current Assets:			
(a) Inventories		1,00,000	1,30,000
(b) Trade Receivables		50,000	1,50,000
(c) Cash and cash Equivalents		50,000	70,000
TOTAL		7,00,000	8,00,000

A new company BL Ltd is formed to take over all the assets and liabilities of Bright Ltd and Light Ltd, under the following terms and conditions:

- (1) For every 2 shares of Bright Ltd., 3 shares of BL Ltd will be issued.
- (2) For every 5 shares of Light Ltd., 10 shares of BL Ltd will be issued.
- (3) There are fractions equalling 50 shares of Bright Ltd and 100 shares of Light Ltd – for which cash has to be paid.

You are required to:

- (A) Show the necessary ledger accounts to close the books of Bright Ltd.
- (B) Prepare the Balance Sheet of BL Ltd after amalgamation.

(ইংরাজী প্রশ্ন দেখ)

- ii) Prepare Statement of Profit & Loss for the year ended 31.03.2020 and the Balance Sheet on that date (as per Schedule – III, Division–I of the Company Act, 2013) from the following ledger balances:

Opening Stock – Rs. 60,000; Sales – Rs. 6,05,000; Purchase – Rs. 4,00,000; Wages & Salaries – Rs. 86,000; Printing & Stationery – Rs. 3,000; Sales Return – Rs. 5,000; Purchase

Return – Rs. 10,000; Creditors – 1,00,000; Debtors – Rs. 1,50,000; Drawings – Rs. 7,000; Advertisement – Rs. 28,500; Salesman Commission – Rs. 65,000; Insurance – Rs.12,000; Postage and Telegram – Rs. 11,200; Furniture – Rs. 52,000; Machinery – Rs. 80,000; Motor Car – Rs. 34,000; Bad Debts – Rs. 3,000; Discount Received – Rs. 13,800; Carriage on Purchase – Rs. 21,000; General Expenses – Rs. 87,000; Cash at Bank – Rs. 24,100; Audit fees – Rs. 10,000; Miscellaneous Income – Rs. 10,000; Share Capital – Rs. 4,00,000.

Additional Information:

1. Value of stock as on 31.03.2020 Rs. 82,000 (Market price on that date Rs. 80,000).
2. Audit fees include Rs. 5,000 for taxation and other matters.
3. Depreciation: Machinery – 10%; Furniture – 20%; Motor Car – 15%.
4. Provision for Bad Debts is to be created @ 5% on Debtors.
5. Out of debtors Rs. 20,000 are due for more than 6 months.
6. Provide for income tax @ 25%.

(ইংরাজী প্রশ্ন দেখ)

iii) The following are the Balance Sheets of Zee Ltd and Pee Ltd as at 31.03.2020:

Balance Sheet of Zee Ltd. and Pee Ltd. as at 31.03.2020			
Particulars	Note No.	Zee Ltd	Pee Ltd
(1)	(2)	(3)	(4)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund:			
(a) Share Capital – Equity Share of Rs. 10 each fully paid		4,00,000	1,00,000
(b) Reserve and Surplus – Profit and Loss Account		50,000	20,000
(2) Share Application Money Pending Allotment		-	-
(3) Non-Current Liabilities:		-	-
(4) Current Liabilities:			
Other Current Liabilities –			
External Liabilities		7,50,000	4,80,000
TOTAL		12,00,000	6,00,000
II. ASSETS			
(1) Non-current Assets:			
(a) Fixed Assets			
(i) Tangible Assets – Equipment		2,50,000	95,000
(b) Non-current Investments – 9,000 Equity shares in Pee Ltd. (acquired on 01.04.2019)		1,40,000	---
(2) Current Assets:			
(a) Other Current Assets		8,10,000	5,05,000
TOTAL		12,00,000	6,00,000

On 1st April, 2019, Profit and Loss Account of Pee Ltd showed a credit balance of Rs. 8,000 and equipment of Pee Ltd was revalued by Zee Ltd at

20% above its book value of Rs. 1,00,000 (but no such adjustment was effected in the books of Pee Ltd.).

Prepare the Consolidated Balance Sheet of Zee Ltd and Pee Ltd as at 31.03.2020 following AS – 21 giving the workings and Notes to Accounts.

(ইংরাজী প্রশ্ন দেখ)

- iv) a) State the features of Limited Liability Partnership (LLP). 5+5
সীমিত দায়বদ্ধ অংশীদারী কারবারের বিশেষত্বগুলি লেখ।
- b) What is the need for valuation of shares? State the factors affecting valuation of shares.

শেয়ারের মূল্যায়নের প্রয়োজনীয়তা আলোচনা কর। কোন্ কোন্ বিষয়গুলি শেয়ারের মূল্যায়নকে প্রভাবিত করে তা লেখ।