

**VIKRAMA SIMHAPURI UNIVERSITY :: NELLORE**

Revised UG Syllabus under CBCS  
(Implanted from academic year 2020-21)

**PROGRAMME : II-YEAR B.COM (SEMESTER-IV)**  
**DOMAIN SUBJECTS : CORPORATE ACCOUNTING**

**MODEL QUASTION PAPER**

**Time: 3 Hours**

**Max. Marks: 75**

**SECTION - A**

**Answer any FIVE questions. Each question carries 3 Marks. 5 X 3 = 15M**

1. Shares issued at premium.
2. X and Company Ltd., offers to public Rs.5,000 equity shares Rs.10 each payable Rs.2 on application Rs.6 on allotment. Rs.2 on first and final call. Pass journal entries in this books of X company Ltd.
3. Sources of Bonus shares issue ?
4. Pass Journal Entries in the books of the company of the following conditions
  - a) A Debenture of Rs.10 issued at par and repayable at par.
  - b) A Debenture of Rs.10 issued at 10% discount and repayable at par.
  - c) A Debenture of Rs.10 issued at 10% premium and repayable at par.
5. Need for valuation of Goodwill.
6. Calculate the value of the Goodwill of 5 years average profits of 3 years purchases.

Year	1	2	3	4	5
Profit	4,500	7,500	1,500	2,500	5,000
7. Yield method.
8. The value of share in net assets method Rs.145 and the value of the share in yield method is Rs.180. find out the value of the shares in dual method.
9. Profit and Loss A/c?
10. Explain transfer to reserve under the companies act 2013.

**SECTION - B**

**Answer any FIVE questions carries equal Marks: - 5 X 12 = 60M**

11. Lavanya Co. Ltd. Offered Rs.5,000 equity shares of Rs.25 each to the public at premium of 10% against its registered capital of Rs.8,000 shares of Rs.25 each the company received applications for Rs.4,500 shares only. The amounts payable on shares were as follows :  
On application Rs.5 per share  
On allotment Rs.7.50 per share (plus premium)  
On first and final call – Balance Amount  
All money due was duly received expecting on Rs.100 shares on first and final call from Gopichand a share holder. The company decided to forfeiture the shares. Subsequently the share were the issued at Rs.20 each you are require to pass necessary Journal entry and show all relevant items in the Balance Sheet of the company.

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12. A Ltd company issued a prospectus inviting applications for Rs.4,000 shares of Rs.20 each at premium of Rs.4 per share payable as follows :

On application Rs.4, on allotment Rs.10 (including premium) on first call Rs.6 and on second call Rs.4.

Applications were received for Rs.6,000 shares and allotments made pro-rata to the applicants for Rs.4,800 shares, the remaining applications being rejected. Money over paid on applications was employed on account of sums due on allotment.

X to whom 80 shares were allotted failed to pay the allotment money and on his failure to pay the first call, he shares were forfeited. Y the holder of 120 shares fail to pay the two calls and his shares were forfeited after the second call had been made.

Of the shares forfeited 160 shares were sold to Z certified as fully paid for Rs.18 for share the whole of X's shares being included. Show Journal and Cash Book Entries.

13. On 1<sup>st</sup> January 2010, A Ltd. Issues Rs.2000, 8% debentures of Rs.100 each repayable at the end of 4 years at premium of 5% it has been decided to institute a sinking fund for the purpose, the investment being expected to earn 4% net. Sinking fund tables show that 0.235490 amounts to 1 @ 4% in 4 years. Investments are made in multiples of Rs.100 only.

On 31<sup>st</sup> December 2013 the balance at bank was Rs.59,000 and the investments realize Rs.1,56,800 the debenture were paid off. Show important ledger account for 4 years.

14. The extracts are given from the draft balance sheet of Bharath Gears Ltd. as on 31<sup>st</sup> March 2016.

Authorised capital Rs.2,00,000

20,000 equity share of Rs. 10 each

Issued and subscribed capital

7,000 equity shares of Rs.10 each fully paid up - Rs.70,000

Reserve fund - Rs.36,000

Surplus account - Rs.29,000

The Board of Directors pass a resolution to capitalize a part of existing reserves and surplus by issuing Bonus shares. 1 Bonus share is being issued for every four equity shares held at present for this purpose. Rs.10,000 are to be provided out of reserve fund and the balance out of the surplus account.

Setout the journal entries to give affective to the resolution and show how they would affect the balance sheet of the company.

15. From the following particulars calculate the value of the Goodwill of Ravichandra. Goodwill is to be valued on the basis of 3 years purchase of super profits of the business calculated on the average profits of last 3 years.

a) Sundry assets Rs.45,00,000, Current liabilities Rs.1,80,000

b) Average capital employed in the business Rs.35,00,000

c) Rate of Interest expected from Capital 10%

d) Net trading profits from last 3 years – Rs.6,50,000, Rs.5,60,000, Rs.7,40,000

d) Fair remuneration to the services of partners Rs.80,000

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16. From The following the information calculate the value of goodwill on the basis of 5 years parches of super profits.
- (a) Average capital employed Rs. 6,00,000/-  
 (b) Net trading profit. Rs. 65,000/-, Rs. 80,000/-, Rs. 70,000/-, Rs. 95.800/-  
 (c) Normal rate of returns 12%.  
 (d) Fair remuneration to partners Rs. 12,000/- p.a.

17. From the following information calculate the value of equity share.
- a) 2000, 12% preference shares of Rs.100 each of Rs.2,00,000  
 b) 5000 equity share of Rs.100 each, Rs.80 per shares paid Rs.4,00,000  
 c) expected profits for year before tax Rs.3,00,000  
 d) Rate of tax 30%  
 e) transfer to general reserve every year 20% of profit.  
 f) normal rate of earnings 15%

18. Liabilities and Assets of Ramesh Ltd., as on 31-3-2017 were as under :

Liabilities	Rs.	Assets	Rs.
2000 equity shares of Rs.100 each	2,00,000	Land & Buildings	1,25,000
General Reserve	50,000	Machinery	75,000
Surplus a/c	25,000	Investment at cost (Market value Rs.37,500)	45,000
Creditors	45,000	Debtors	50,000
Provision for taxation	20,000	Stock	37,500
Provident fund	17,500	Cash at Bank	25,000
	<b>3,57,500</b>		<b>3,57,500</b>

**Additional Information:**

- a) Land & Buildings and machinery are valued at Rs.1,37,500 and Rs.55,000  
 b) Of the total debtors Rs.500 are baddebts.  
 c) Goodwill is to be taken at Rs.25,000  
 d) The normal rate of dividend declared by such type of companies is 15% on paid up capital.  
 e) The average rate of dividend declared and paid by this companies is 18% on its paid up capital.  
 Calculate fair the value of equity shares of the company.
19. Ganesh company trail balance as on 31-3-2018 as follows :

Particulars	Debit	Credit
Share capital		12,00,000
Reserve fund		2,00,000
Debtors & Creditors	2,50,000	40,000
Fixed assets	7,00,000	
Purchase and sales	9,50,000	16,50,000
Wages	6,25,000	
Establishment expenses	1,50,000	
Stock (1-4-2017)	4,50,000	
Government securities	6,00,000	
Dividend equalization fund		2,50,000
Income tax paid	2,00,000	
Income provision (1-4-2017)		4,00,000
Interim dividend	1,00,000	
Interest		50,000
Staff provident fund		50,000
Profit & Loss a/c		4,00,000
Goodwill	2,15,000	
	<b>42,40,000</b>	<b>42,40,000</b>

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**Additional Information:**

1. Stock on 31-3-2018 Rs.8,00,000
2. Provide depreciation on fixed assets Rs.30,000
3. Provide Income tax Rs.1,00,000

20. Following on the Balances of M/s Modern dress Bhandar Ltd. on 31-3-2016.

Particulars	Debit	Particulars	Credit
Premises	30,72,000	Share capital	40,00,000
Plant	33,00,000	12% debentures	30,00,000
Stock	7,50,000	Surplus a/c	2,62,500
Debtors	8,70,000	Bills payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Bank	4,51,600	Sales	41,50,000
Calls in Arrears	75,000	General reserve	2,50,000
Interim dividend paid	3,92,500	Bad at provision on 1-4-2015	35,000
Purchases	18,50,000		
Wages	9,79,800		
General expenses	73,350		
Salaries	2,02,250		
Baddebts	21,000		
Debenture Interest paid	1,80,000		
	<b>1,24,67,500</b>		<b>1,24,67,500</b>

**Additional Information:**

- a. Stock on 31-3-2016 was Rs.9,50,000.
  - b. Provide depreciation on plant 15%.
  - c. Provide Income tax @ 50%.
  - d. Write off Rs.5,000 from preliminary expenses.
  - e. Interest on debentures is due for 6 months.
  - f. Create 5% provision for doubtful debts.
- Prepare Final accounts of the company.

**Instruction to Paper Setter:**

Two questions must be given from each unit in Section-A and Section-B

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