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(FYUGP)

(2nd Semester)

COMMERCE

(MAJOR)

Paper : BC/C3

(Corporate Accounting)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. (a) What do you mean by Bonus Share?
What are the advantages of issue of
bonus share? Explain the procedure for
issuing of bonus share. 4+6+5=15

Or

- (b) B Ltd. issued 10000 shares of ₹ 100 at
₹ 120. Amount payable there on as
under :

On Application—₹ 20

On Allotment—₹ 50

(including premium)

On First Call—₹ 30

On Final Call—₹ 20

All the shares were subscribed by the public. All the shares were allotted. All calls were made and money received in full except on 100 shares of Mr. X on both calls and 200 shares of Mr. Y in last call. All unpaid shares were forfeited after legal formalities. Forfeited shares were re-issued at ₹ 90 each.

Pass Journal Entries in the book of company and support with a Balance Sheet.

15

2. (a) Define goodwill. Why is there need for the valuation of goodwill? Discuss the various methods of calculating goodwill.

2+3+10=15

Or

- (b) Following is the Trial Balance of ABC Ltd. as on 31st March, 2023 :

<i>Dr. Balances</i>	₹
Opening Stock	1,50,000
Purchases	3,80,000
Wages	60,000
Carriages	2,000
Furniture	25,000

(3)

<i>Dr. Balances</i>	₹
Salaries	12,000
Rent	15,000
Trade Expenses	11,000
Sundry Debtors	54,000
Plant and Machinery	12,00,000
Cash at Bank	21,500
Patents	9,000
Bills Receivable	14,000
Bad Debts	6,500
Discount Allowed	8,000
	<u>19,68,000</u>

<i>Cr. Balances</i>	
Equity Share Capital	5,00,000
Purchase Return	10,000
Sales	11,50,000
Discount	6,300
Surplus A/c	1,70,000
Sundry Creditors	33,700
General Reserve	82,000
Bills Payable	13,000
Provision for Doubtful Debts	3,000
	<u>19,68,000</u>

Additional Information :

- (i) Stock on 31st March, 2023—
₹ 2,00,000

(ii) Depreciate Plant and Machinery at 12%, Furniture at 10% and Patents at 20%

(iii) Provide income tax @ 30%

Prepare Statement of Profit & Loss for the year ended 31st March, 2023 and Balance Sheet as on that date. 7+8=15

3. (a) What is Amalgamation? What is Amalgamation in the nature of 'merger'? Distinguish between Amalgamation in the nature of 'merger' and Amalgamation in the nature of 'purchase'. 2+3+10=15

Or

(b) The Z Ltd. went into voluntary liquidation on 31st December, 2024. The balances in its books on that date were as below :

	₹		₹
Share Capital :		Land & Buildings	2,50,000
Authorized &		Plant & Machinery	6,25,000
Subscribed :		Patents	1,00,000
5000, 6% Cumulative		Stock	1,37,500
Preference Shares		Sundry Debtors	2,75,000
of ₹ 100 each,		Cash at Bank	75,000
fully paid	5,00,000	Surplus A/c	
2500 Equity Shares		(Negative	
of ₹ 100 each,		Balance)	3,00,000
₹ 75 paid	1,87,500		

(5)

	₹	₹
7500 Equity Shares of ₹ 100 each, ₹ 60 paid	4,50,000	
5% Mortgage Debenture	2,50,000	
Interest Outstanding	12,500	
Creditors	3,62,500	
	<u>17,62,500</u>	<u>17,62,500</u>

The liquidator is entitled to a commission of 3% on all assets realized except cash and 2% on amounts distributed among unsecured creditors other than preferential creditors.

Creditors include preferential creditors ₹ 37,500 and a loan for ₹ 1,25,000 secured by a mortgage on Land & Buildings. The preference dividends were in arrears for two years. The assets realized were as follows :

	₹
Land & Buildings	3,00,000
Plant & Machinery	5,00,000
Patents	75,000
Stock	1,50,000
Sundry Debtors	2,00,000

The expenses of liquidation amounted to ₹ 27,250

Prepare the Liquidator's Final Statement of Account.

15

4. (a) What is holding company? State the conditions under which a company controls the other company. How is Consolidated Balance Sheet prepared?

4+5+6=15

Or

- (b) From the Ledger Balances as at 31st March, 2025 and information given below, prepare Consolidated Balance Sheet :

15

Cr.	H Ltd.		S Ltd.		Dr.
	₹	₹	₹	₹	
Share Capital of ₹ 10 fully paid	10,00,000	2,00,000			Sundry Assets
Surplus A/c	4,00,000	1,20,000			8,00,000
Reserve	1,00,000	60,000			1,20,000
Creditors	2,00,000	1,20,000			Stock
Bills Payable	—	30,000			6,10,000
					2,40,000
					Debtors
					1,30,000
					1,70,000
					Bills
					Receivable
					10,000
					—
					Shares in S Ltd. 15000 at cost
					1,50,000
					—
					17,00,000
					5,30,000
					17,00,000
					5,30,000

Additional Information :

- (i) All the profits of S Ltd. have been earned since the shares were acquired by H Ltd., but there was already Reserve of ₹ 60,000 at that date

- (ii) The bills accepted by S Ltd. ₹ 10,000 are in favour of H Ltd.
- (iii) Sundry Assets of S Ltd. are undervalued by ₹ 20,000
- (iv) The Stock of S Ltd. includes ₹ 50,000 bought from S Ltd. at a profit to the latter of 25% on cost

5. (a) What are banking and non-banking companies? Discuss the differences between Balance Sheets of banking and non-banking companies. 5+10=15

Or

(b) From the following information, prepare Profit & Loss A/c of Rural Development Bank Ltd. for the period ended on 31st March, 2025. Working should form part of your answer : 15

	₹ (in '000)
Interest on Loans	300
Interest on Fixed Deposits	275
Commission	10
Exchange and Brokerage	20
Salaries and Allowances	150
Discount on Bills (Gross)	152
Interest on Temporary Overdrafts in Current A/c	30

	₹ (in '000)
Interest on Cash Credits	240
Interest on Saving Bank Deposit	87
Postage, Telegram and Stamps	10
Printing & Stationery	20
Sundry Expenses	10
Rent	15
Taxes and Licences	10
Audit Fees	10

Additional Information :

- (i) Rebate on Bills discounted—
₹ 30,000
- (ii) Salary of Managing Director—
₹ 30,000
- (iii) Bad Debts—₹ 40,000
- (iv) Provision for Income Tax is to be
made @ 55%
- (v) Interest of ₹ 4,000 on Doubtful
Debts was wrongly credited to
Interest on Loan A/c
- (vi) Provide ₹ 15,000 as dividend

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