

[12]

**SARDAR PATEL UNIVERSITY**  
**B.B.A. (GENERAL) SEMESTER: II EXAMINATION**  
**2015**  
**Saturday, 11<sup>th</sup> April**  
**02:30 p.m To 04:30 p.m**  
**UM02CBBA04: CORPORATE ACCOUNTING - I**

**Total Marks: 60**

- Note:** 1. Figure to the right indicate full marks of question.  
 2. All questions carry equal marks.  
 3. Working notes are the part of answer.

- Q-1 (A)** Shri Ganesh Limited issued a prospectus inviting applications for 30,000 equity [12] shares of Rs 10 each at a premium of Rs 2 per share payable as under:

On Application Rs 3

On Allotment Rs 4 (including premium)

On First Call Rs 3

On Second Call Rs 2

Applications were received for 40,000 shares and allotment made pro – rata to the applications of 36,000 shares and the remaining applications were refused and the amount was refunded. Money over paid on applications was to be transferred to allotment account.

Shankar, to whom 1000 shares were allotted, failed to pay the allotment money.

Pass necessary journal entries in the books of the company and also prepare bank account.

- (B)** Difference between calls in arrears and calls in advance. (Only three points) [03]

**OR**

- Q-1 (A)** RAM limited issued 50,000 equity shares of Rs 10 each at a discount of Rs 0.50 [10] per share payable as follows:

Rs. 2.00 per share on application

Rs. 2.50 per share on allotment

Rs. 1.50 per share on first call

Rs. 3.50 per share on last call

Company received 49,000 shares applications.

Pass necessary journal entries and prepare bank account.

- (B)** Write a note on over subscription and under subscription with examples. [05]

- Q-2 (A)** Following balance appears in the books of Jimit limited as on 01/04/2014. [15]

10 % Secured Debentures	Rs. 2,00,000
Debentures Redemption Fund	Rs. 1,50,000
Deb. Red. Fund Investments(10 % Govt. securities)	Rs. 1,50,000

The company transfer Rs. 50,000 towards debenture Redemption Fund. After receiving the interest of Rs. 15,000 on 31/03/15 company sold debenture redemption fund investments at Rs. 105 and the debentures were redeemed with 2.5 % premium.

Pass necessary journal entries to record above transactions and Prepare 10% Debenture A/c Debenture Holder A/c, premium on redemption of debenture A/c, Debenture Redemption Fund investments A/c and Debenture Redemption Fund A/c.

**OR**

- Q-2 (A) Define the term debenture. Explain the types of debentures [07]  
 (B) Suresh Company limited issued 1000, 12 % Debentures of Rs. 100 each at 3 % discount on January 1, 2009. It undertakes to repay the debentures at par as below. [08]

31-12-2010	400 Debentures
31-12-2011	300 Debentures
31-12-2012	200 Debentures
31-12-2013	100 Debentures

Give journal entry for issue of debenture and prepare Debenture Discount Account in the books of the company.

- Q-3 The Balance Sheet of Gauri Limited as on 31/03/15 is as under: [15]

Capital & Liabilities	Amt(Rs.)	Assets	Amt(Rs.)
1,00,000 equity shares of Rs 10 each fully paid	10,00,000	Fixed assets	12,50,000
8,000 12% preference shares of Rs 100 each, Rs 80 paid up	6,40,000	Stock	3,72,000
Profit & loss a/c	35,000	Debtors	3,55,000
General Reserve A/c	5,65,000	Cash and Bank	5,63,000
Security Premium	50,000		
Creditors	2,50,000		
	25,40,000		25,40,000

The company decided to redeem preference shares at 5% premium. For this purpose necessary number of equity shares of Rs. 10 each issued at 20% premium. The company then decided to utilize the resultant reserve created from the redemption of preference shares for issuing fully paid up bonus shares to its equity share holders.

Pass necessary journal entries and prepare revised balance sheet.

**OR**

- Q-3 (A) Discuss the provisions of section 80 of Company's Act 1956 in detail. Also list [07] out the sources of bonus shares.
- (B) Sunny Co. Ltd. declared bonus out of its General Reserve to convert its partly [08] paid shares, into fully paid shares.

After wards three fully paid Equity shares were used to distribute as bonus in exchange for five shares from Share Premium and Capital Reserve.

The balances sheet as on 31-3-2015 are as under:

<b>Capital &amp; Liabilities</b>	<b>Amt(Rs.)</b>	<b>Assets</b>	<b>Amt(Rs.)</b>
8,000 equity shares of Rs 100 each, Rs.75 paid up per share	6,00,000	Fixed assets	10,00,000
General Reserve A/c	2,50,000	Debtors	2,00,000
Capital Reserve A/c	3,30,000	Cash and Bank	1,80,000
Security Premium	1,50,000		
Creditors	50,000		
	<b>13,80,000</b>		<b>13,80,000</b>

Write journal entries in the books of company to record above transaction and prepare revised balance sheet.

- Q-4 (A) Prepare specimen of Horizontal balance sheet as per the companies Act 1956 [11] with imaginary figures.
- (B) List out four examples of contingent liabilities. [04]

### OR

- Q-4 The trial balance of Sanjay Ltd. as on 31-3-15 was as under: [15]

<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Credit (Rs.)</b>
Equity share capital	-	12,00,000
12% preference share capital	-	3,00,000
10% Redeemable Debenture	-	3,00,000
Opening stock	1,40,000	-
Purchase and sales	18,60,000	32,00,000
Goods returned	80,000	60,000
Land and building	8,00,000	-
Plant and machinery	6,00,000	-
Debtors and creditors	4,00,000	2,00,000

Octroi	1,80,000	-
Selling and distribution expenses	40,000	-
Carriage outward	16,000	-
Wages	6,80,000	-
Administrative expenses	1,70,000	-
Vehicle	1,20,000	-
Telephone deposit	20,000	-
Director's fees	20,000	-
Loan of director	-	40,000
Interest on debenture	12,000	-
Interest on investment	-	16,000
Staff pension fund	-	16,000
Investments	3,00,000	-
Discount on debenture	80,000	-
Loose tools	12,000	-
Bills	40,000	20,000
Fixed deposit	-	48,000
General reserve	-	1,40,000
Share forfeiture account	-	20,000
Cash and bank	50,000	-
Profit and loss account (01-04-2014)	-	60,000
<b>Total</b>	<b>56,20,000</b>	<b>56,20,000</b>

**Additional information:**

1. Authorized capital of the company is as under: 1,50,000 equity share of Rs. 10 each and 12% 30,000 preference share of Rs. 10 each.
2. Closing stock is valued of Rs. 2,80,000.
3. Depreciate land and building by 5%, plant and machinery by 10 % and vehicles by 20%.
4. Provide Bad Debts reserve on debtors by 5%.
5. Transfer Rs. 40,000 to general reserve.
6. The Directors have proposed 10 % dividend on equity share capital.

Prepare final accounts (Trading A/c, Profit and Loss A/c, Profit and Loss Appropriation A/c and Balance sheet) of the company as per Companies Act, 1956 in horizontal form.

*All the Best*