

(95 & A-29)

SC

SEAT No. \_\_\_\_\_

SARDAR PATEL UNIVERSITY  
BBA (ITM) SEMESTER –II (4 Years)  
CORPORATE ACCOUNTING I UM02CBB104  
4<sup>th</sup> April 2018, Wednesday  
Time: 2.00 To 4.00 PM

No. of Printed Pages : 3

Total Marks :60

No. of Printed Pages: 03

Q:1 Dipen Ltd. Issues a prospectus inviting applications for 20,000 equity shares of Rs. 100 each at a premium of Rs. 20 per share payable as under: (15)

On application	Rs. 20
On Allotment	Rs. 50(including premium)
On first call	Rs. 20
On second call	Rs. 30

Applications were received for 30,000 shares and allotment made pro-rata to the applicants of 24,000 shares and the remaining applications were refused and the amount was refunded. Money overpaid on applications was to be transfer to allotment account.

Pinky to whom 800 shares were allotted, failed to pay the allotment money and Priti to whom 1,000 shares were allotted failed to pay two calls.

Pass necessary journal entries in the books of the company

OR

Q:1 (a) Discuss the types of share capital. (05)

Q:1 (b) On 1-1-2014 Parul engineering Ltd. Offered 10,000 shares of Rs. 10 each to the public , payable as under: (10)

On application	Rs. 2
On Allotment	Rs. 2.5
On first call	Rs. 3
On second call	Rs. 2.5

By 15<sup>th</sup> February applications were received for 9000 shares. Allotment was made on 1<sup>st</sup> march and all sums due on allotment were received on 15<sup>th</sup> march. First call was made on 15<sup>th</sup> may and the money due was received in full by 1<sup>st</sup> June. Second call was made on 15<sup>th</sup> June and call money due was received in full with the exception of 1000 shares.

Pass necessary entries in the books of Patel engineering Ltd.

Q:2 (a) Define the term debenture and Explain its types (05)

Q:2 (b) Anjali co. Ltd. Issued 12%, 4,000 debentures of Rs. 100 each at a discount of 5.5 % on 1-1-2005. These debentures are redeemable as follows: (10)

	Rs.
On 31-12-2005	80,000
On 31-12-2006	1,20,000
On 31-12-2007	60,000
On 31-12-2008	1,00,000
On 31-12-2009	40,000

Prepare debenture discount account with the help of above information.

OR

- Q:2 (a) Archana company issues 14% debentures of Rs. 1,35,000 on 1-1-2010 with a condition that they should be redeemed by setting aside at the end of every year Rs. 30,000 out of profit, investing the amount in 10% Govt. securities. The interest received at the end of year should be invested in the same securities. (07)

Securities were sold off on 30-6-2014 for Rs. 1,40,000 and the debentures were paid off.

Show the debenture redemption fund account and debenture redemption fund investment account.

- Q:2 (b) On 1<sup>st</sup> January 1999 Mehta corporation Ltd. Issued 10,000 6% debenture of Rs. 100 each for 15 years on condition that the debenture could be redeemed by the company at a premium of 4% by giving six months' notice at any time after five years, either by payment of cash or by allotment of shares and /or other debentures according to the options of debenture holders. (08)

Necessary notice was given on 1<sup>st</sup> April 2004, informing the debenture holders about the company's intentions to redeem debentures on 1<sup>st</sup> October 2004 either by payment of cash or by allotment of 8% preference share of Rs. 100 each at Rs. 130 per share or by issuing 7% debentures of Rs. 100 each at Rs. 96 each.

Holders of 4000 debentures accepted preference shares, holders of 4800 debentures accepted the offer of 7% debentures and the rest claimed cash. Pass necessary journal entries for redemption of debentures.

- Q:3 (a) State the provision and guidelines for issue of bonus share and Enlist the various sources of Bonus share. (07)
- Q:3 (b) The following balances are available in the books of Arti Ltd. As on 31-3-2010. (08)

Equity share capital (2000 shares of Rs. 100 each)	2,00,000
Redeemable pref. share capital (1000 share Rs. 100 each, Rs. 75 paid up)	75,000
General reserve	60,000
Share premium	25,000
Bank balance	2,00,000

The company decides to redeem the pref shares at 5% premium after complying with legal provisions. Write necessary entries for the issue of new shares and capital redeemed.

OR

- Q:3 (a) State the provision regarding redemption of preference shares (08)

Q:3 (b) Akash Ltd. Has 1,000 6% Redeemable preference shares of Rs. 100 each fully paid. The profit & loss account showed a credit balance of Rs. 70,000. The companies decide to redeem preference shares and for this purpose, the company issued 400 equity shares of Rs. 100 each. These shares were fully subscribed and the full amount was received. The redemption was duly carried out. Pass necessary journal entries to record the above transactions. (07)

Q:4 Priyanka company Ltd. has an authorized, issued, subscribed and paid up capital Rs. 3, 00,000 divided into 30,000 equity shares of Rs. 10 each. The following Trial balance has been extracted from the books of company on 31<sup>st</sup> march 2017: (15)

**Trial Balance as on 31-3-2017**

Name of the account	Dr. Rs.	Cr. Rs.
Equity share capital	-	3,00,000
Purchase and sales	2,40,000	3,80,000
Goodwill	50,000	-
Stock (as on 1-4-2016)	60,000	-
Salary	20,000	-
Debtors and creditors	1,60,000	1,20,000
Furniture	40,000	-
Wages	50,000	-
General reserve	-	1,50,000
Investment in G.P. Notes	30,000	-
Audit fees	10,000	-
Railway freight	15,000	-
Directors fees	15,000	-
Building	80,000	-
Purchase return and sales return	20,000	10,000
Bills receivable and bills payable	50,000	20,000
Interim dividend paid	10,000	-
Plant & machinery	80,000	-
Cash & bank	58,000	-
P& L Appropriation Account (1-4-2016)	-	20,000
Telephone deposit	12,000	-
	<b>10,00,000</b>	<b>10,00,000</b>

Prepare Trading Account and Profit and Loss Account of the company for the year ended 31<sup>st</sup> march 2017 and balance sheet as on that date as per companies act 1956.

**Additional Information:**

1. Stock on 31<sup>st</sup> March 2017 was Rs. 1,25,000
2. Depreciate plant & machinery by 5%, furniture by 2.5%, and building by 10%.
3. Transfer Rs. 20,000 to General Reserve
4. Make a provision for income tax Rs.25,000
5. Write of Rs. 10,000 as bad debts.
6. Market value of investments as on 31<sup>st</sup> march 2017 Rs. 28,000

**OR**

Q:4 Draw the format of Trading Account , Profit & Loss Account . Profit & Loss Appropriation Account and Balance Sheet as per company act 1956 with imaginary figure (15)

