

[A-6]

SARDAR PATEL UNIVERSITY  
B.B.A. ISM II SEM NC 2010 Batch  
Corporate Accounting UB02EBBS02  
9<sup>th</sup> April, 2018

10.00 TO 12.00 P.M.

Q1A. Define Shares? Discuss the Types of Share Capital in detail.

Marks 60

[10]

Q1B. Write Short notes on the following:

[05]

- A. Calls in Arrears    B. Calls in Advance

OR

Q1. Akash Ltd made an issue of 10000 Equity shares of Rs. 100 each at Rs. 110

[15]

[Including Premium of Rs. 10] The amount was collected as follows. On Application Rs. 20, On Allotment Rs. 40 including premium, On first call Rs. 20 and on Final Call Rs. 30. Application were received for 14000 shares when the sub subscription list was closed the allotment was made as under.

1. Allotment in full to the applicants of 9000 shares.
2. Allotment of 1000 shares against applicants of 4000 shares.
3. Application for 1000 shares wholly rejected.

Allotment money was received in full on 20<sup>th</sup> February. 1<sup>st</sup> call was made on 1<sup>st</sup> May which was received in full on 10<sup>th</sup> May? Second call was made on 1<sup>st</sup> November. All money due were fully received except on 1000 shares. The excess application money was utilized towards payment of allotment and the balance if any transfer to calls in Advance account.

Q2A. Calculate the amount to be transferred to CRR in each of the following cases:

[10]

	Redeemable Preference shares	Fresh Issue of Shares
1.	Rs. 500000 to be redeemed at par	Rs. 300000 at par
2.	Rs. 500000 at a premium of 5%	Rs. 300000 at par
3.	Rs. 500000 redeemable at par	Rs. 300000 at a premium of 10%
4.	Rs. 500000 redeemable at par	Rs. 300000 at a discount of 10%
5.	Rs. 500000 redeemable at a premium of 5%	Rs. 300000 at a premium of 10%

Q2B. Explain Section 80 of the companies Act regarding Redemption of Redeemable Preference Shares and issue of Bonus Shares.

[05]

OR

C.P.T.O.)

Q2. The Balance-Sheet of Hiral Ltd. As on 31<sup>st</sup> March 2017 was as under:

[15]

Liabilities	Amount [Rs.]	Assets	Amount [Rs.]
Share Capital: Issued and Subscribed:		Fixed assets	150000
6000 6% Redeemable Preference shares of Rs. 10 each fully paid	60000	Current Assets: Stock	75000
15000 Equity Shares of Rs. 10 each fully paid	150000	Debtors	30000
Profit and loss Account	83000	Bank Balance	80000
Creditors	25000		
Proposed Dividend	17000		
Total	335000		335000

Under the terms of redemption, Redeemable preference Shares were to be redeemed at a premium of 5%. For the purpose of redemption 2000 5% preference shares of Rs. 10 each were issued at a premium of Rs. 5 per share and was fully paid. On 1<sup>st</sup> April 2017 6% Redeemable Preference shares were redeemed but there is no trace in respect of 20 Preference Shares. Bonus issue of One Equity share for every 10 Equity shares was made on that date. Prepare necessary Journal Entries in respect of the above transactions. And prepare the Balance-Sheet after redemption.

Q3. Kapil Ltd. has given the following options to debenture holders for redemption of its 12% 10,000 Debentures of Rs. 100 each at 5% premium. [15]

Options	Exercised by debenture holders
10% Preference shares of Rs.100 each , Rs.80 paid up , at Rs. 120	5000 debentures
15% new debentures of Rs. 100 each at 5% discount	3,800 debentures
Payment in cash	1,200 debentures

Pass necessary journal entries for redemption of debentures in the books of Kapil Ltd.

OR

Q3. The following were the balances in the books of Angel Ltd. As on 1/1/2018, [15]

12% Debentures	3,00,000
Debenture Redemption Fund	2,25,000
8% Deb. Red. Fund. Investment	2,25,000

Company transfer Rs.25, 000 every year to Debenture Redemption Fund Account every year. After receiving interest of Rs, 18,000 on investment, company sold out the said investment at 20% profit on 31/12/2018 and Debentures amounting to Rs. 240000 were redeemed at 10% premium. Prepare necessary ledger Accounts in the books of the company as on 31/12/2018.

Q4. Draw a Format of Horizontal Trading Account, Profit and Loss Account and Balance-Sheet as per Companies Act 1956. [15]

OR

Q4.

[15]

The Nilay Co. has an authorized issued and subscribed paid up capital of Rs. 300000 divided into 30000 Equity Shares of Rs. 10 each. The following trial balance has been extracted from the books of the company as on 31<sup>st</sup> March 2017.

Particulars	Debit Balance [Rs.]	Credit Balance [Rs.]
Equity share Capital	---	300000
Purchases and Sales	240000	380000
Goodwill	50000	---
Stock [ as on 1 <sup>st</sup> April, 2016]	60000	---
Salary	20000	---
Debtors and Creditors	160000	120000
Furniture	40000	---
Wages	50000	---
General Reserve	---	150000
Investment in G P notes	30000	---
Audit fees	10000	---
Railway Freight	15000	---
Directors Fees	15000	---
Building	80000	---
Purchase Return and Sales Return	20000	10000
Bills Receivable and Bills Payable	50000	20000
Interim Dividend paid	10000	---
Plant and Machinery	80000	---
Cash and Bank Balance	58000	---
Profit and loss appropriation Account [1 <sup>st</sup> April 2016]	---	20000
Telephone Deposit	12000	---
Total	1000000	1000000

Prepare Trading Account and Profit and loss account for the year ended on 31<sup>st</sup> March 2017 and Balance-sheet as on that date in accordance with the requirements of part I schedule VI of the companies Act 1956.

1. Stock on 31<sup>st</sup> march 2016 was Rs. 125000.
2. Depreciation on Plant and Machinery by 5%, Building by 10% and Furniture by 2.5%.
3. Transfer Rs. 20000 to General reserve.
4. Provision for Income Tax Rs. 25000.
5. Write off bad debts Rs. 10000.
6. Market Value of investment as on 31<sup>st</sup> March 2017 Rs. 28000.

