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[97/A-13]

No. of printed pages: 04

SARDAR PATEL UNIVERSITY
B.B.A. (GEN)(II Semester) EXAMINATION
Saturday, 30th March, 2019
2.00 p.m. to 4.00 p.m.
UM02CBBA04 :Corporate Accounting-I

Maximum Marks : 60

- Note :
1. Working notes are the part of Answer
 2. Figures to the right indicate full marks of question

Q.1 Harsh Limited invited an application for 60000 shares of Rs. 20 [15]
each at a premium of 10% payable in

	Rs.
- On Application	10
- On Allotment	08 (including Premium)
- On Call	04

Application were received for 72000 share and shares were allotted on pro rata basis.

Mr. Mayur who had applied for 3600 share, failed to pay allotment an call money. Another shareholder, Mr. Hitendra who was allotted 6000 shares, also defaulted at the time of payment of allotment and Call.

- (1) Show the calculation of amount called and not paid by shareholders and the amount actually received at the time of allotment.
- (2) Also pass journal entries.

OR

Q.1(A) Explain types of shares in details. [07]

(B) ABC company invited application for 10000 shares of Rs. 20 each [08]
at a discount of 5% issues price was payable as follows :

	Rs.
- On Application	10
- On Allotment	4.5
- On First Call	4.5

Application were received for 12500 shares and shares were allotted on pro-rata basis. Excess application money was adjusted towards allotment. One shareholder who was allotted 100 share failed to pay call money. Pass journal entries for the above transactions in the books of ABC Company.

Q.2(A) Jayraj Company issued 2000, 10% debentures of Rs. 1000 each [07]
at 3% discount on January 1, 2012. It undertakes to repay the
debentures at par as below :

Date	No. of Debentures
31-12-2013	800 Deb.
31-12-2014	600 Deb.
31-12-2015	400 Deb.
31-12-2016	200 Deb.

Prepare Debenture Discount Account in the books of the
company.

(B) Give journal entries of issue and redemption of Debentures with [08]
imaginary figure.

OR

Q.2 The following were the balances in he books of Ajayraj Company [15]
on 1-1-2018 .

10% Debentures	450000
Debentures Redemption Fund	337500
6% D.R.F. Investments	337500

Company transfer Rs. 37500 every year to Debenture
Redemption Fund Account. After receiving Interest of Rs. 13500
on Investments, company sold out the said investments at 10%
profit on 31-12-2018 and debentures were redeemed at 5%
premium.

Write journal entries in the books of the company on 31-12-18 and
prepare necessary ledger A/c's.

Q.3(A) Write short notes on : [08]

- (1) Provisions of Companies Act for Redemption of redeemable
preference shares
- (2) Capital Redemption Reserve Account

(B) From the following information calculate the amount of new equity [07]
share of Rs. 10 each to be issued for redemption of Red. Pref.
shares.

(1) 10% Red Pref. Shares	Rs. 2000000
(2) Redemption Premium	10%
(3) Balance shown in Balance Sheet.	
Profit & Loss A/c (Credit)	600000
General Reserve	370000
Share Premium	150000

The company wants to issue new equity shares at 10% Discount.

OR

Q.3 On 31-3-2018 the Balance Sheet of Rajshri Ltd. is as follows : [15]

Capital X Liability	Rs.	Assets	Rs.
8000 Equity shares of Rs. 100 each	800000	Land	400000
2000 7% Redeemable pref. shares of Rs. 100 each Rs. 80 per share paid up	160000	Buildings	330000
2000 8% Redeemable Pref. Shares of Rs. 100 each fully paid up	200000	Plant-machinery	200000
Share premium	20000	Investments	140000
General Reserve	150000	Stock	200000
Profit & Loss A/c	70000	Debtors	180000
Creditors	160000	Cash Balance	110000
	1560000		1560000

On this date, the company decided to redeem both the classes of Preference share at 100% premium after company with the provisions laid down under sec.80 of the companies Act, 1956. For this purpose, necessary number of equity shares of Rs. 100 each are issued at par. Cash balance of Rs. 60000 is to be maintained in the business. All the investments are sold away for Rs. 120000. All the preference shareholders are paid in full. The company then decided to utilize the resultant reserve created out of the redemption of preference shares for issuing fully paid Bonus Shares to equity shareholders. Pass necessary journal entries in the books of the Rejshri Co. Ltd.

Q.4(A) Prepare Horizontal Balance Sheet of Prianka Ltd. as per [07]
companies Act 1956 with imaginary figures.

(B) Write short notes on :

(1) Contingent Liability [04]

(2) Preliminary expenses [04]

OR

Q.4

Following is the Trial balance of Vikram Ltd. as on 31-03-2018

[15]

Debit Balance	Rs.	Credit Balance	Rs.
Freight	71000	Equity Share Capital	
Cash and Bank	290000	of Rs. 10 each	
Plant and Machinery	1500000	10% Pref. share	3200000
Land & Building	1750000	capital of Rs. 100	
Debenture Discount	224000	each	750000
Purchase	2540000	Sales	6000000
Opening Stock	400000	10% Debentures	
Interest on Debenture	120000	(Redeem on 31-3-22)	1200000
Sales return	305000	Director's Loan	120000
Debtors	1200000	Purchase return	160000
Motor car	45000	Creditors	900000
Custom deposit	80000	Staff Pension Fund	82000
Income tax paid in Adv.	180000	Interest due on loan	5000
Office & Admn. Exp.	665000	Interest & dividend	75000
Salary	1010000	Forfeited share A/c	35000
Octroi & Carriage inward	750000	Fixed deposit	15000
Selling & Distributing Exp.	135000	General Reserve	458000
Directors Fees	115000	P & L A/c (1-4-17)	100000
Investments	940000		
Loose tools	30000		
Bills receivables	700000		
Preliminary Exp.	50000		
	13100000		13100000

Prepare Final Account as per company's Act-1956 after taking into consideration the following information :

- (1) The closing stock is Rs. 1500000
- (2) Provide depreciation on plant & machinery at 10%, Land and Building at 12% and on Motor car 15% per annum
- (3) Write off 25% of Preliminary expenses
- (4) Company transfer Rs. 500000 to General Reserve
- (5) Directors proposed 15% Dividend on equity shares.

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