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SARDAR PATEL UNIVERSITY
F.Y.B.B.A (ISM) (IIND SEMESTER)
FRIDAY, 29TH MARCH
2019
2.00 PM TO 4.00 PM
CORPORATE ACCOUNTING (UM02DBBS21)

TOTAL MARKS: 60

Q-1 Rekha Limited issued 1,000 Equity Shares of Rs.100 each at a premium of Rs.20 per share. **15**
The share capital was to be collected as follows:

On Applications	Rs.15
On Allotment	Rs.55 (including premium)
On First Call	Rs.25
On Final Call	Rs.25

Shri Balu who allotted 200 shares failed to pay the final call. Draft necessary journal entries to record the above transaction and also prepared all necessary Accounts.

OR

- Q-1**
- (A) Discuss provisions of companies Act. 1956 regarding 'issue of share at Discount'. **06**
- (B) Write a short note on: **09**
1. Calls in Arrears
 2. Calls in Advance
 3. Over Subscription

Q-2 The following were the balances in the books of Ilaxi Ltd. as on 31-3-18. **15**

12% Mortgage Debentures	10,00,000
Debenture Redemption Fund	10,00,000
Debenture Redemption Fund Investment:	
6% Gujarat Govt. Loan (Purchased at Par) 600000	
5% National Defense Bonds	
(Face Value Rs.4,00,000) 380000	980000

On 31/5/18, 6% Gujarat Govt. Loan was sold at Rs.110 and 5% National Defense Bonds at Rs.98. On the same day, debentures were redeemed at Rs.106 together with accrued Interest. The interest on debentures has been paid up to 31-3-18. Prepare necessary accounts in the books of Ilaxi Ltd.

OR

- Q-2**
- (A) Ayan Ltd. issued Rs. 8, 00,000 Debentures at 10% Discount which are redeemable every year by Rs. 2, 00,000. The discount on Debentures is to be written off in proportion to the amount utilized every year. Make necessary calculations prepare the Debenture Discount Account in the books of the company. **10**
- (B) Write a short note on: Sinking Fund and Sinking Fund Investment Account. **05**

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(P.T.O.)

Q-3 Write notes on :

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- (A) Provisions of Companies Act. for Redemption of Preference Shares.
- (B) Capital Redemption Reserve Account.
- (C) Provisions and Guidelines for issue of Bonus Shares.

OR

Q-3 On 31st March, 1999 the Balance sheet of Radha Ltd. is as under:

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Liabilities	Rs.	Assets	Rs.
<u>Issued & Subscribed & Paid up Capital:</u> 70,000, Equity shares of Rs. 10 each fully paid 3,000, Redeemable preference share of Rs. 100 each fully paid	7,00,000 3,00,000	Land & Building	6,00,000
General Reserve	1,50,000	Plant & Machinery	4,00,000
Profit & Loss A/c	30,000	Investments	1,00,000
Current Liabilities	2,00,000	Stock	1,50,000
		Debtors	1,20,000
		Cash Balance	10,000
	13,80,000		13,80,000

On this date company decided to redeem the preference share at 5% premium as per sec. 80 of Companies Act. For this purpose company issued 23,000 Equity Share of Rs. 10 each are issued at par. All the investments are sold away at 10% discount and redeemable 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 a Co. and prepare New Balance sheet.

Q-4 Give speciman of a Balance Sheet of a company in accordance with Companies Act, 1956 with imaginary figure.

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OR

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Q-4 Following is the Trial balance of Anand Ltd. on 31-12-98.

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Assets	Rs.	Liabilities	Rs.
Opening Stock	55000	Sales	403500
Land – Building	400000	Equity Share Capital (100Rs. Each)	200000
Directors Fees	5000	10% Pref. Share Capital	100000
Audit Fees	4000	General Reserve	120000
Purchases	155000	10% Debenture	150000
Inward – Cartage	6000	Provident Fund	50000
Debenture Interest	10000	Sinking Fund	100000
Bills Receivable	11000	Creditors	30000
Debtors	40000	Profit & Loss A/C(1-1-98)	9000
Bank Balance	35000	Loan	30000
Salaries	50000	Bank Loan (Against Stock)	10000
Preliminary Expenses	17000	Interest Received	5500
Bad – Debts	3000	Goods Return	2000
Goods Return	3500	Bills Payable	40000
Goodwill	80000		
Shares of ‘A’ Ltd.	60000		
Furniture	72000		
Machinery	103000		
Cash Balance	17000		
Contribution to P.F.	5000		
Administrative Expenses	12000		
Sinking Fund-Investments	100000		
Discount On Debenture	6500		
	1250000		1250000

1. Authorized capital of the company is consist of Rs. 10,00,000 (Ten lakhs)
2. Closing stock is Rs. 100000.
3. Prepaid salary is Rs. 10000.
4. Provide depreciation on machines Rs.10000.
5. Write off preliminary expenses. By 10%.
6. Directors has recommended 10% dividend on equity share capital.

Prepare final accounts as per company Act. Schedule – 6. of Anand Ltd.

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