

BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, NOVEMBER 2024
2018, 2019, 2020, 2021, 2022 ADMISSIONS SUPPLEMENTARY
SEMESTER III - CORE COURSE (COMMERCE)
CO3B07B18 - Corporate Accounts I

Time : 3 Hours

Maximum Marks : 80

Part A**I. Answer any Ten questions. Each question carries 2 marks****(10x2=20)**

1. Discuss calls in arrears and calls in advance.
2. Define escrow account.
3. Describe private placement of shares.
4. Enumerate re-issue of shares.
5. ABC Ltd issued 2,00,000 equity shares of Rs 10 each, of which 40,000 shares were bought back at Rs 9 per share. For this purpose of buy back of shares, the company issued 20,000, 12% preference shares of Rs 10 each. The company had Rs 1,20,000 in General Reserve and Rs 1,00,000 in securities premium reserve. Give the journal entries
6. Write the meaning of marked applications.
7. List any two objectives of underwriting.
8. Enumerate contingent liabilities.
9. Define investments as per AS -13.
10. Briefly explain the term loss of profit policy.
11. Explain briefly about Poor Selling Goods.
12. Explain the term increased cost of working.

**Part B****II. Answer any Six questions. Each question carries 5 marks****(6x5=30)**

13. Enumerate escrow account. Explain briefly its significance.
14. Following items appear in the balance sheet of Geethanjali Ltd as on 31-3-2018

	₹
80,000 Equity shares of ₹ 10 each, ₹ 7.50 paid up	6,00,000
1,20,000 Equity shares @ 10 each	12,00,000
Capital Redemption Reserve	3,00,000
Plant Revaluation Reserve	60,000
Securities Premium Reserve	2,00,000
General Reserve	2,40,000
Statement of profit and loss	1,00,000
Capital Reserve (including ₹ 50,000 being profit on sale of investments)	1,80,000

The company decided to convert the partly paid equity shares into fully paid shares by way of bonus and to issue fully paid up Bonus shares to the holders of fully paid up shares in the same ratio.
 Give the journal entries.

15. Write down the advantages of Underwriting.

16. Vajra Ltd issued a prospectus inviting applications for 40,000 equity shares of Rs.10 each. The whole issue was fully underwritten by A,B and C as follows:

A - 20,000 shares

B - 12,000 shares

C - 8,000 shares

Applications were received for 32,000 shares , of which marked applications were as follows:

A - 16,000 shares

B - 5,700 shares

C - 8,300 shares

Prepare a statement showing the net liability of underwriters.

17. How will you disclose the following items while preparing the Balance Sheet of a Company as per Schedule III to the Companies Act, 2013 a) Corporate Dividend tax b) Provision for Income Tax c) Preliminary expense written off d) Unexpired Insurance

18. From the following data, Prepare relevant Notes to Accounts:

Particulars	Rs in 000's
Salaries	125
Wages	75
Contribution to PF	100
Contribution to gratuity	36
Staff Welfare expenses	75
Expenses on ESPP	14
Outstanding Wages	25
Interest Expenses	25
Brokerage	5
Interest on debentures	6



19.

On 1.4.2016 Sanjay Ltd had Rs.3,00,000, 6% Government Stock at Rs. 94 each (face value Rs. 100). Interest is payable on half-yearly on 31st March and 30th September. The company sold Rs.90, 000 of the stock of Rs.95 ex-interest on 1st June, 2016. Draw up 6% Government stock account in the investment Ledger of the company for the year ended 31st March 2017. Ignore brokerage and income tax. The stock was quoted at Rs.96 ex-interest at the stock exchange on that date.

20. Explain the procedure of computation of admissible claim under loss of stock policy.

21. A fire occurred in the premises of a company on 15.2.2018. From the following particulars, calculate the amount of the claim to be lodged in case of stock which was insured.

Stock (1.1.2018)	Rs. 5,00,000
Purchases (1.1.2018 to 15.2.2018)	Rs. 7,50,000
Wages	Rs. 2,50,000
Manufacturing expenses	Rs.1,50,000
Sales (1.1.2018 to 15.2.2018)	Rs.12,00,000
The gross profit ratio is 33.33% of cost.	
The stock salvaged was valued at	Rs.49,500.

Part C

III. Answer any Two questions. Each question carries 15 marks

(2x15=30)

22. Explain different ways of issue of shares. Pass accounting entries on issue of shares.

23. Yardley Ltd furnishes the following information for the year ended 31-3-2018. Prepare Final Accounts

PARTICULARS	DR(RS)	CR(RS)
Equity Capital		3,00,000
Opening Stock	2,25,000	
Purchases and Sales	7,35,000	10,50,000
Productive Wages	1,50,000	
Discount	21,000	15,000
Salaries	22,500	
Rent	14,850	
General Expenses	51,150	
Surplus Account		45,000
Dividend paid for last year	27,000	
Debtors and Creditors	1,12,500	52,500
Plant & Machinery	87,000	
Cash at Bank	48,600	
Reserve		46,500
Loan to Managing Director	9,750	
Bad debts	4,650	
	15,09,000	15,09,000



Additional Information:

1. Stock on 31-03-2018 is Rs.2,46,000
 2. Depreciate Machinery at 10%p.a
 3. Reserves 5% on debtors for doubtful debts
 4. Rent Rs.1,350 is due on 31-03-2018
 5. Six months insurance was unexpired at Rs.2,250 p.a
 6. Transfer to general reserve 5% of net profit
24. On 1.4.2018 Anuradha Ltd had current investment of Rs.3,00,000 ,6% Government stock at Rs.94 (face value being Rs.100). Interest payable half yearly on 31st March and 30th September. The company sold Rs.90,000 of the stock at Rs.95 ex-interest on 1.6.2018. Draw up 6% government stock account in the investment ledger of the company for the year ended 31.3.2019. Ignore brokerage and income tax. The stock was quoted at Rs.96 ex-interest at the stock exchange on that date.
25. Fire occurred in the premises of Monikattil Agencies on 01.04.2017 and a considerable part of the stock was destroyed. The stock salvaged was Rs. 56,000. A fire insurance policy for Rs.3,42,000 was taken to cover the loss of stock by fire. You are required to calculate the amount of claim.

Purchases during 2016	18,76,000
Sales during 2016	23,20,000
Purchases from 01.01.2017 to 01.04.2017	3,64,000

Sales for the above period	4,80,000
Stock (01.01.2016)	2,88,000
Stock (31.12.2016)	4,84,000
Wages paid during 2016	2,00,000
Wages paid from 01.01.2017 to 01.04.2017	36,000

Fire also broke out on 21.12.2016 and destroyed stock of the estimated cost of Rs.1,00,000. There was a practice in the concern to value stock at cost less 10% ,but all of sudden this practice was changed and stock on 31.12.2016 was valued at cost plus 10%.

