Roll No. ☐☐☐☐☐☐☐☐☐☐☐☐ **Total No. of Pages : 02**

Total No. of Questions : 07

B.Com. (2011 & Onward) (Sem.–3)

CORPORATE ACCOUNTING – I

Subject Code : BCOP-301

Paper ID : [B1124]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTION-B contains SIX questions carrying TEN marks each and students have to attempt any FOUR questions.**

SECTION-A

1) Write briefly :

a) Surrender of shares

b) Issue of share at discount

c) Book building

d) Firm underwriting *v/s* Sub underwriting

e) Right issue

f) Cat goodwill

g) Profit prior to incorporation

h) Interim dividend

i) Super profit

j) Loan capital

SECTION-B

2) What is the accounting treatment for redemption of preference shares?

3) XYZ Ltd. issued to public 3,00,000 Equity Shares of Rs. 10 each at a premium of Rs.1 per share. The amount was payable as to Rs. 2 with application, Rs. 4 (Including Premium) on allotment and Rs. 5 on first and final call.

Applications totaled 6,11,000 Shares, The board of Directors rejected applications or 11,000 shares and made allotment on all remaining applications on a pro rata basis.

Amita to whom 300 shares had been allotted did not pay the balance of allotment money and subsequently the call money. Rinky, who held 450 shares, did not pay the call. Their shares were forfeited three months after making of the call. All the forfeited shares were re- issued as fully paid up shares to Teena at the rate of Rs. 11 per share.

You are required to pass journal entries for all the transactions including cash transactions.

4) How will you handle the following while preparing final accounts of the companies?

a) Divisible profits

b) Transfer to reserves

c) Dividend Distributions

5) Sarvottam Limited was incorporated on Jan 1, 2002 with an authorized capital of Rs. 15,000 to take over the running business of Uttam bros. from Oct 1, 2001. The following is the summarized profit and loss account for the year ending Sept. 30, 2002.

	Rs.	**Rs.**
Sales from 1.10.2001 to 31.12.2001	60,000	
Sales from 1.1.2002 to 30.9.2002	1,90,000	2,50,000
Cost of sales for the year	1,54,000	
Administrative expenses	17,680	
Selling Commission	8,750	
Goodwill written off	2,000	
Interest to vendors (Loan repaid on 01.02.2002)	3,730	
Distribution Expenses (60% variable)	12,500	
Preliminary Expenses	3,300	
Debenture Interest	3,200	
Depreciation	4,440	
Directors' Fee	1,000	2,16,600
Net profit		33,400

The company deals in only one product. The cost of sales per unit was reduced by 10 % in the post incorporation period, as compared to the pre incorporation period.

Prepare a statement showing the net profit of the Pre and Post Incorporation period.

6) Illustrate various methods of valuation of equity shares

7) Discuss various popular recent Corporate Scandals in Indian history. How SEBI has come forward to tackle these scams?