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) Distinguish between debenture and share.

(b) Explain Firm Underwriting.

(c) Give the distinction between ex-interest price and cum-interest price.

(d) Explain the need of valuation of shares.

(e) What do you mean by Right Issue?

(f) What are the advantages of Book Building Process?

(g) Distinguish between Surrender of Shares and Forfeiture of Shares.

(h) What do you mean by Convertible Debentures?

(i) Explain Divisible Profits.

(j) Distinguish between calls in arrears and calls in advance.

SECTION-B

2. What do you mean by Buy Back of Shares? Explain the various conditions and restrictions on Buy Back of Shares.

3. What do you mean by Goodwill? Explain various methods for evaluating goodwill.

4. Define Debenture. How it can be redeemed.

5. DEF Company Limited, issued Prospectus inviting applications for 20,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows :-

   On Application -Rs.3 ; On allotment Rs.5 (including premium); On first call Rs.2; On Second Call Rs 2.

   Applications were received for 30,000 share and allotment made pro-rata to the applicants of 24,000 shares. Money overpaid on application was employed on account of sums due on allotment.

   Mr. Bhatt, to whom 400 shares were allotted, failed to pay the allotment money; and on his subsequent failure to pay the first call, his shares were forfeited. Mr. Lokesh, the holder of 600 shares, failed to pay both calls and his shares were forfeited after the second call.

   Of the shares forfeited, 800 shares were issued to Mr. Seetharam, credited as fully paid, for 9 per share, the whole of Mr. Bhatt shares being included.

   Pass the necessary Journal Entries to give effect to the above and prepare Bank Account and Forfeited Shares Account.

6. Pass Journal Entries. Ignore creation of Debenture Redemption Reserve.

   (i) Swati Associates Ltd. has issued 10,000 12% Debentures of Rs. 100 each on 1.4.1997. These debentures are redeemable at par after 3 years. Interest is payable annually.

   (ii) On January 1, 1999, it buys 1500 debentures from the market at Rs. 98 per debenture. These are sold away on September 30, 1999 at Rs. 105 per debenture.

   (iii) On April 1, 1999, it buys 1000 debentures at 104. These are cancelled on July 1, 1999.

   (iv) On January 1, 2000, it buys 2000 debentures at Rs. 106. These debentures along with other debentures are redeemed on 31^{st} March, 2000.

7. For the year ended 31^{st} March, 2013, Provision for Income tax has been made for Rs. 50,00,000. Advance payment of tax for that year amounted to Rs. 45,00,000 and tax deducted at source on income earned by the company amounted to Rs. 46,000. On November 15, 2013, the assessment was completed and tax liability was determined at Rs. 58,40,000. Advance payment of tax for the year ending 31^{st} March, 2014 was Rs. 62,00,000.

   Show the necessary accounts for the year ending 31^{st} March, 2014 assuming Rs. 70,00,000 Provision for Taxation for the year ending 31^{st} March, 2014.