Roll No. | | | | | | | | | | | | | **Total No. of Pages: 03**

Total No. of Questions: 09

Bachelor In Service Industry Management(SIM) / BRDM (2014 & Onwards) / BBA (2012 & onward Batches) (Sem. – 2)

CORPORATE ACCOUNTING

M Code: 10547

Subject Code: BBA-204

Paper ID: [C0243]

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

INSTRUCTIONS TO CANDIDATES:

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION A

1. Write short note on the following in 2-5 lines:

   a) Explain internal reconstruction of the company.

   b) What are the objectives of tally software?

   c) How equity shares differ from preference shares?

   d) What do you understand redeemable preference shares?

   e) Discuss in detail benefits of amalgamation.

   f) Define underwriting of shares.

   g) Discuss the significance of merchant banker.

   h) What do you mean by capital reserve?

   i) How is discount on the issue of share shown in the balance sheet?

   j) Define forfeiture of shares.

SECTION B

UNIT-I

2. Define prospectus. Discuss in detail scope and objective and contents of prospectus. How the role of financial manager has been changed in the current era of globalization?

3. X Ltd issued for public subscription 20, 000 equity shares of Rs.10 each at a premium of Rs. 2 per share payable as under:

   Rs. 2 per share on application; Rs. 5 per share (including premium on allotment); Rs 2 per share on first call; Rs. 3 per share on final call. Application for 30 000 shares were received. Allotment was made prorate to the applicants for 24000 shares, the remaining applications being rejected. Money overpaid on application was utilized towards sums due on allotment. Shri Y to whom 800 shares were allotted failed to pay the allotment money, shri Z to whom 1000 shares were allotted failed to pay the last two calls. These shares were subsequently forfeited after second call was made. All these forfeited shares were re-issued to shri W as fully paid-up at Rs. 8 per share. Give the necessary journal entries to record the above transactions.

UNIT II

4. Calculate the managerial remuneration from the following particulars of Ankit and company LTD. Due to the managing directors of the company at the rate of 5% of the profits. Also determine the excess remuneration paid if any:

   Net profits Rs 200 000.

   Net profit is calculated after considering the following:

I	Depreciation	Rs. 40 000
II	Preliminary expense	Rs. 10 000
III	Tax provisions	Rs. 3 10 000
IV	Director's fees	Rs. 8 000
V	Bonus	Rs. 15 000
VI	Profit on sale of fixed assets (Original cost Rs. 20,000: Written down value Rs. 11000	Rs. 15 500
VII	Provision for doubtful debts	Rs. 9 000
VIII	Scientific research expenditure (for setting up new machinery)	Rs. 20 000
IX	Managing director's remuneration paid	Rs. 30 000

Other information:

I. Depreciation allowable under the companies Act Rs. 35 000

II. Bonus liability as per payment of Bonus Act, 1965. Rs. 18 000.

5. Discuss the legal provisions regarding capitalization of profits.

UNIT III

6. What do you mean by value of business? If a concern is purchased for a price which is less than net value how will you deal with the difference?

7. Explain the provisions of capital reduction as given as given in the companies Act, 2013.

UNIT IV

8. What do you mean by underwriting of issue? Discuss in detail financial reporting of mutual fund companies.

9. Discuss in detail with the help of an example, Performa of profit and loss account and balance sheet of a bank.