

**2023/TDC (CBCS)/EVEN/SEM/  
COMDSC-401T/402**

**TDC (CBCS) Even Semester Exam., 2023**

**COMMERCE**

**( 4th Semester )**

Course No. : COMDSC-401T

**( Corporate Accounting )**

*Full Marks : 70*

*Pass Marks : 28*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

**SECTION—A**

Answer any *twenty* of the following as directed :

1×20=20

1. Name the preferential rights which are enjoyed by the preference shareholders.
2. What is oversubscription?
3. What is bonus share?

4. What is right share?
5. Preference Shares can be redeemed only when they are \_\_\_\_\_.  
( Fill in the blank )
6. What is a contingent liability?
7. Give one example of finance cost.
8. Give one example of preliminary expenses.
9. How do you treat calls in arrear in a company Balance Sheet?
10. Dividend is usually paid on \_\_\_\_ capital.  
( Fill in the blank )
11. What are superprofits?
12. What is valuation of shares?
13. State one internal factor affecting the value of shares.

14. Mention one need for valuation of goodwill.
15. Net assets basis of valuation of shares is considered with the \_\_\_\_\_ backing per share.  
( Fill in the blank )
16. What is amalgamation in the nature of merger?
17. What is purchase consideration?
18. What is internal reconstruction of a company?
19. Name one situation which calls for internal reconstruction of a company.
20. Internal reconstruction is generally resorted to write off the \_\_\_\_\_.  
( Fill in the blank )
21. What is meant by debenture?
22. Pre-acquisition profits are treated as capital profits.

( Write True or False )

23. How does a holding company come into existence?
24. What is inter-company owing?
25. Post-acquisition profits are treated as \_\_\_\_\_ profits.

( Fill in the blank )

SECTION—B

Answer any *five* of the following questions :  $2 \times 5 = 10$

26. Mention any two differences between Shareholders and Debenture holders.
27. Mention any two differences between Capital Reserve and Reserve Capital.
28. When shall a liability be classified as current under the revised format of companies Balance Sheet?
29. Write a note on 'interim dividend'.
30. Mention two factors that should be considered in valuing goodwill.

31. Distinguish between intrinsic value and market value of shares.
32. What is the Journal Entry for change in face value of shares at the time of internal reconstruction?
33. What is amalgamation?
34. What is cost of control?
35. How would you calculate the minority interest for a holding company?

SECTION—C

Answer any *five* of the following questions :  $8 \times 5 = 40$

36. XYZ Ltd. invited applications for 10000 shares of ₹ 100 each at a premium of ₹ 10 each payable as follows :

On Application—₹ 50

On Allotment—₹ 35

(including premium)

On Final Call—₹ 25

Application for 15000 shares were received.  
Application for 2500 shares did not get any

allotment and their application money returned. Allotment was made pro-rata to the remaining applications.

Mr. Arup was allotted 400 shares. He failed to pay the amount due on allotment and call money. The company forfeited his shares and subsequently re-issued to Mr. Swarup as fully paid up for ₹ 90 per share.

Show the Journal Entries in the books of the Company.

37. State the Journal Entries that are to be made at the time of bonus issue.
38. Give a specimen of statement of profit and loss of a company.
39. The following Ledger Balances are extracted from the books of RN Ltd. on 31st March, 2023 :

	₹
12000 Equity Shares of ₹ 10 each	1,20,000
Sundry Creditors	16,000
10% Debentures	50,000
General Reserve	10,000
Surplus in the Statement of Profit & Loss A/c (2022-23)	40,000



	₹
Securities Premium Reserve	6,000
Livestock	10,000
Land & Building	60,000
Cash at Bank	10,000
Stock-in-Trade	35,000
Furniture & Fixture	30,000
Plant & Machinery	60,000
Sundry Debtors	35,000
Loose Tools	2,000

You are required to prepare Balance Sheet of the Company as per revised Scheduled III of the Companies Act, 2013. Director proposed a dividend @ 10% on paid up capital.

[Note to the Balance Sheet not required]

40. The following particulars are available in respect of the business carried on by a trader :

(i) Profits earned :

<i>Year</i>	<i>Profits</i> ₹
2020	50,000
2021	60,000
2022	55,000

(ii) Normal rate of profit 10%

- (iii) Capital employed—₹ 3,00,000
- (iv) Present value of an annuity of ₹ 1 for 5 years at 10% is ₹ 3.78
- (v) The profits included non-recurring profits on an average basis of ₹ 4,000 out of which it was deemed that even non-recurring profits had a tendency of appearing at the rate of ₹ 1,000 p.a.

You are required to calculate goodwill under  
(a) 5 years' purchase of superprofits and  
(b) as per capitalization of superprofits method.

4+4=8

- 41. Explain the circumstances (any four) under which the valuation of shares is essential and discuss the various methods of valuation of shares. 4+4=8
- 42. Discuss the various methods of calculating purchase consideration.
- 43. Give the Journal Entries that are to be made in the books of a Limited Company who has adopted a scheme of internal reconstruction.
- 44. Describe the provisions of Accounting Standard-21 in relation to the preparation of Consolidated financial statement.



45. The following balances of accounts are extracted from the books of X Co. Ltd. for the year ending 31st March, 2023 :

<i>Debit Balances</i>	₹	<i>Credit Balances</i>	₹
Rent and Taxes	12,000	Share Capital :	
Sundry Debtors	2,40,000	60000 Equity Shares	
Interest on		of ₹ 10 each	6,00,000
Bank Loan	4,000	Sundry Creditors	1,20,000
Advertising	24,000	Discount Received	2,800
Bad Debts	2,000	Bank Loan	
Cash at Bank	21,000	(Interest @ 12% p.a.)	40,000
Cash in Hand	5,400	Gross Profit	2,24,700
Discount Allowed	4,050		
Audit Fees	5,400		
Furniture	45,000		
Travelling Expenses	4,600		
Salaries	1,37,550		
Building	2,90,000		
Plant and			
Machinery	1,50,000		
Closing Stock	42,500		
	9,87,500		9,87,500

*Additional Information :*

(i) Depreciation is to be provided as follows :

Furniture @ 10%

Plant and Machinery @ 20%

Building @ 10%

- (ii) Salaries outstanding on 31st March, 2023, ₹ 12,000
- (iii) Provide 2% for discount on Debtors and create a provision for doubtful debts at 5% on Debtors

Prepare Profit & Loss A/c of X Co. Ltd. for the year ended on 31st March, 2023.

★ ★ ★