



‘সমানো মন্ত্র: সমিতি: সমানী’

**UNIVERSITY OF NORTH BENGAL**

B.Com. Honours Part-II Examination, 2022

**B.COM.****PAPER- 2H1****CORPORATE ACCOUNTING**

Time Allotted: 4 Hours

Full Marks: 100

*The figures in the margin indicate full marks.***GROUP-A****Answer any four questions**

15×4 = 60

1. Sun Ltd. issued 20,000 Equity Shares of Rs. 10 each at a premium of Rs. 2 per share. The investors are asked to pay the share price in the following way: 15

Application	Rs. 3 per share
Allotment	Rs. 5 (including premium per share)
Call money (first and final)	Rs. 4 per share

The company received all the money from time to time except from Mr. X, who applied for 100 such shares but did not pay the call money. The company forfeited his shares after specified time and re-issued all these forfeited shares to Mr. Y at Rs. 8 per shares as fully paid.

Records the journal entries (including cash transactions) in the books of Sun Ltd.

2. Below is given the Balance Sheet of Moon Ltd. as at 31st March 2022 10+5

**Balance Sheet**

Liabilities	Rs.	Assets	Rs.
<b><u>Authorized Capital</u></b>		Leasehold Premises	4,50,000
10,000 Pref. Shares (Rs. 50 each)	5,00,000	Plant & Machinery	80,000
10,000 Eq. Shares (Rs. 50 each)	5,00,000	Stock	70,000
	<b>10,00,000</b>	Debtors	1,00,000
<b><u>Subscribed Capital</u></b>		Preliminary Exp.	50,000
8,000 Pref. Shares (Rs. 50 each)	4,00,000	Profit & Loss A/c	1,20,000
8,000 Equity Shares (Rs. 50 each)	4,00,000	Cash and Bank	5,000
Sundry Creditors	40,000		
Bank Overdraft	35,000		
	<b>8,75,000</b>		<b>8,75,000</b>

Due to losses for years, the company decided upon the following scheme of reconstruction:

- (i) Both the Preference and Equity Shares were to be reduced to a value of Rs. 30 each.
- (ii) The balance available after reduction of price of the shares was to be used to write-off the debit balance of the Profit & Loss Account, Rs. 20,000 from stock, the full amount of Preliminary expenses and a provision of Rs. 30,000 for bad debts against the debtors. The value of Leasehold Premises be reduced by Rs. 60,000 and also the Plant & Machinery by Rs. 25,000.

You are asked to journalise the necessary transactions and prepare the reconstructed Balance Sheet in the books of the Company.

3. (a) Write the Legal formalities for the redemption of Preference Shares u/s 80 of the Company's Act. 9+6
- (b) Paradise Ltd. issued 3,000, 10% Redeemable Preference Shares of Rs. 100 each. On 1st January 2022 the company decided to redeem these Preference Shares at par. The company has Rs. 2,00,000 and Rs. 2,50,000 in General Reserve and Profit & Loss A/c respectively.
- Show the necessary journal entries in the books of the company.
4. Define Amalgamation. When an amalgamation is treated as Amalgamation in the nature of Merger as per AS 14? 15
5. What is Goodwill? What are the needs for valuing Goodwill? Write the five methods of valuation of Goodwill. 2+3+10
6. (a) The Balance Sheet of North Bengal Ltd. as at 31st March 2022 showed the following picture 10+5

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
20,000 Equity Shares (Rs. 100 each)	20,00,000	Premises	11,50,000
Reserve and Profits	9,50,000	Plant	10,00,000
Creditors	4,00,000	Stock	10,00,000
Bank Overdraft	3,00,000	Bill Receivable	5,00,000
Provision for Taxation	5,00,000	Debtors	4,50,000
		Bank	50,000
	<b>41,50,000</b>		<b>41,50,000</b>

**Additional information:**

- (i) Present market value of Plant Rs. 10,50,000
  - (ii) Premises increased by Rs. 70,000
  - (iii) Stock value decreased by Rs. 60,000
  - (iv) Bad debt occurred by Rs. 20,000
  - (v) Goodwill was valued at Rs. 1,50,000 on the basis of Super Profit Method.
- Calculate the value per Equity Share following Asset Backing Method.
- (b) Write the need for valuation of shares.

7. (a) What is the meaning of liquidation of a company? 5+10  
 (b) Prepare a proforma of Deficiency or Surplus Account as per List H in connection with liquidation of a company.

8. Bright Ltd. purchased control of Light Ltd. on 1.1.2021. The following are the Balance Sheet of both the companies as on 31.12.2021 15

Liabilities	Bright Ltd. Rs.	Light Ltd. Rs.	Assets	Bright Ltd. Rs.	Light Ltd. Rs.
Share Capital (Rs. 10 each)	12,00,000	6,00,000	Land & Buildings	2,20,000	2,80,000
General Reserve	1,20,000	1,00,000	Plant & Machinery	4,00,000	3,60,000
Profit & Loss A/c	2,00,000	2,00,000	Investment (45,000 Shares in Light Ltd. at cost)	6,75,000	-
Creditors	2,00,000	1,60,000	Stock-in-trade	90,000	40,000
			Debtors	1,00,000	1,80,000
			Cash & Bank	2,35,000	2,00,000
	<b>17,20,000</b>	<b>10,60,000</b>		<b>17,20,000</b>	<b>10,60,000</b>

On 1.1.2021 Light Ltd. had Rs. 1,00,000 in General Reserve and Rs. 1,20,000 (Cr.) in Profit & Loss A/c.

In July 2021, 10% Dividend was paid by the Light Ltd. for 2020. Bright Ltd. credited its share of dividend to Profit & Loss A/c.

Debtors of subsidiary Ltd. includes Rs. 25,000 due from Bright Ltd.

Prepare a Consolidated Balance Sheet as on 31st December 2021.

### GROUP-B

9. Answer any *four* questions: 5×4 = 20
- (a) What is Bonus Shares? Why such shares are issued?  
 (b) Write two process about redemption of Debentures of a Company.  
 (c) Write a short note on Purchase Consideration.  
 (d) Write a note about Absorption of a Company.  
 (e) Explain the meaning of Forfeiture of Shares.  
 (f) X Co. Ltd has 10,000 Equity Shares of Rs. 10 each. The Board of directors decided to issue Bonus Shares to its existing shareholders in the ratio 2:3 out of General Reserve.  
 Write necessary journal entries in the books of the company.  
 (g) Construct a Balance Sheet of a Joint Stock Company with four items of Liabilities and four items of Assets.  
 (h) Distinguish between Capital Reserve and General Reserve.

**GROUP-C**

10. Answer any *ten* questions:

2×10 = 20

- (a) Distinguish between Amalgamation and Absorption.
- (b) What is Right Issue?
- (c) Define Liquidator.
- (d) What is Calls-in-Advance?
- (e) Make a difference between Share and Debenture.
- (f) What is contingent liability?
- (g) Give two examples of fictitious assets.
- (h) What is Capital Redemption Reserve?
- (i) Why Capital is a liability?
- (j) Write two examples of Intangible Assets.
- (k) What is Share Premium?
- (l) Write two examples of Current Liabilities of a company.
- (m) Make a difference between Equity Share and Preference Share.
- (n) What is Accounting Standard?
- (o) Write the journal entry when a company issues debenture at a premium.

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