BCO-315 **BCO-315**

Sl. No.

III Year B.Com. Degree Examination, October/November -2024
CORPORATE ACCOUNTING
(Non CBCS, SLM Scheme)

Time : 3 Hours **Maximum Marks : 80**

PART - A

Answer any Four questions. Each question carries 5 Marks. **(4×5=20)**

1. Who are preferential creditors?

2. State the circumstances of liquidation of companies.

3. What are the legal provisions relating to underwriting commission?

4. What are the provisions of Company's Act relating to maintenance of accounts?

5. Write a note on forfeiture of shares.

6. Describe the need for valuation of goodwill.

PART - B

Answer any Three questions. Each question carries 10 marks. **(3×10=30)**

7. Explain the conditions under which redeemable preference shares can be redeemed.

8. Explain the methods of valuation of shares.

9. The following are the ledger balances of General insurance Co. as on 31/03/2024.

Particulars	**Fire (Rs.)**	**Marine (Rs.)**
Insurance fund on 01/04/2023	3,30,000	5,40,000
Commission paid	8,000	10,000
Reserve for unexpired risk on 01/04/2023	4,00,000	6,00,000
Management expenses	30,000	35,000
Claims paid	1,50,000	2,30,000
Premium received	2,60,000	3,30,000

Adjustments :

a. Management expenses outstanding : Fire-Rs.8,000, Marine - Rs.6,000.

b. Premium due as on 31/03/2024: Fire-Rs. 32,000, Marine - Rs. 26,000.

c. O/S Claims as on 31/03/2024 : Fire-Rs. 25,000, Marine - Rs. 40,000.

d. Reserve for unexpired risk is to be maintained at 50% and 100% on fire and marine business on premium received.

Prepare Revenue Account as on 31/03/2024.

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10. Sunrise Ltd., issued bonus shares to make their partly paid up shares in to fully paid shares out of general reserve. The securities premium and CRR will be utilised to declare two fully paid bonus shares for every 5 shares held. Balances on 01/04/2024 are given below:

Share Capital	Rs.
40,000 equity shares of Rs. 100 each, Rs. 80 paid up	32,00,000
General Reserve	12,00,000
Securities Premium	8,00,000
CRR	4,00,000

Pass the necessary Journal entries to record the above transactions in the books of the company.

11. Monika Ltd. Issued 100,000 Equity shares of Rs. 10 each these shares were under written as follows. P-30000 shares Q-30,000 shares R - 20000 shares. The public applied for 80,000 shares which included the marked applications as under P - 16,000, Q - shares Q - 12000 shares R - 10,000 shares,

You are required to determine the liability of the under writer's.

PART - C

Answer any Two questions. Each question carries 15 marks. (2×15=30)

12. Chiranth Co. Ltd. Issued prospectus to the public offering 30,000 shares of Rs. 50 each at a premium of Rs. 10 each payable as follows:

On application Rs. 15 per share

On allotment Rs. 25 per share (including premium)

On first call Rs. 10 per share

On final call Rs. 10 per share

Applications were received for 35,000 shares and allotment was made on pro-rata basis to 33,000 applications and balance application money was refunded. Money over paid on application was adjusted towards allotment.

Mr. A to whom 1,500 shares were allotted failed to pay both the calls and Mr.B to whom 750 shares were allotted failed to pay the final call. Hence, all these shares were forfeited and reissued to Mr.C at Rs. 45 per share fully paid up.

Pass the necessary Journal entries in the books of the company and prepare the Balance Sheet.

13. XYZ Co. Ltd. has an authorised capital of Rs. 20,00,000 divided in to shares of Rs. 10 each. The following trial balance is extracted from the books of the company as on 31/03/2024.

Particulars	**Debit (Rs.)**	**Credit (Rs.)**
Share Capital	-	7,50,000
Sales	-	6,75,000

P & L A/c (04/04/2023)	-	68,250
10 % Debentures	-	4,50,000
Sundry Creditors	-	75,000
Reserve Fund	-	75,000
Bills Payable	-	57,000
Provision for Bad Debts	-	3,750
Sundary Debtors	1,45,500	-
Goodwill	49,500	-
Bank	76,350	-
Wages	1,22,700	-
Salaries	51,750	-
Interest on Debentures	18,000	-
Cash	17,475	-
Freight	19,500	-
General expenses	10,350	-
Calls in arrears	11,250	-
Stock on 01/04/2023	1,50,000	-
Land and Buildings	6,00,000	-
Plant and Machinery	4,50,000	-
Purchases	3,00,000	-
Furniture and Fixtures	10,800	-
Investments in Govt. Securities	90,000	-
Director's fees	8,910	-
Bad Debts	3,165	-
Preliminary expenses	7,500	-
Interim dividend	11,250	-
	21,54,000	**21,54,000**

Adjustments :

a) Stock as on 31/03/2024 was valued at . 2,00,000.

b) Depreciation on Plant and Machinery at 20% and Furniture and Fixtures at 10% p.a.

c) Provision for bad debts is to be created at 5% on debtors.

d) Transfer to general reserve Rs. 25,000.

e) Write off 20% of preliminary expenses.

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Prepare final accounts of the company as per new regulation.

14. On 31/03/2024 the date of liquidation of a company, Its balance sheet was as under.

	Particulars	Rs.
A.	Sources of Funds :	
	Capital and Liabilities :	
	Share Capital :	
	7 % Preference Shares	1,50,000
	3,000 Equity shares of Rs. 10 each Rs. 8 paid up	24,000
	1,500 Equity shares of Rs. 10 each Rs. 7 paid up	10,500
	Mortgage loan on Buildings	2,00,000
	6% Debentures	4,00,000
	O/S Interest on Debentures	36,000
	Creditors	4,000
	Bills Payable	1,000
	Total	**8,25,500**
B.	Application of Funds :	
	Assets & Properties :	
	Buildings	2,00,000
	Machinery	80,000
	Stock	2,00,000
	Debtors	3,20,000
	Cash	25,500
	Total	**8,25,500**

Assets realised as follows :

Buildings Rs. 1,85,000, Machinery Rs. 1,00,000, Debtors Rs.3,00,000, Stock Rs. 2,30,500. The liquidation expenses was Rs. 2,000.

Remuneration of Liquidator was - 1% on realisation of assets excluding cash and 1% on amount paid to unsecured creditors. Creditors shown in the balance sheet included

Rs. 1,000 preferential creditors.

Dividend on preference shares in arrears for 2 years.

Prepare Liquidator's Final statement of affairs.

15. What is liquidation of company? Explain the modes of winding up of a company.

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