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**SAINTGITS COLLEGE OF APPLIED SCIENCES**

**Internal Assessment Examination, September 2019**

**B.Com Third Semester (Computer Applications & Taxation)**

**CORPORATE ACCOUNTS I**

Total : 80 marks Name………………………

Time : 3Hours Roll No ……………………

**Section A**

*Answer any 10 questions. Each question carries 2 marks.*

1. Define company.

2. What are sweat equity shares?

3. Who are sub-underwriters?

4. Define marked application.

5. What do you mean by investment ledger?

6. What do you mean by ex-interest/dividend?

7. What is admissible claim?

8. What are standing charges?

9. What is profit prior to incorporation?

10. What is time ratio?

11. What is indemnity period?

12. What is an escrow account? **(10 X 2 = 20 marks)**

**Section B**

*Answer any 6 questions. Each question carries 5 marks.*

13. What are the different types of companies?

14. Distinguish between reserve capital and capital reserve.

15. Explain the classification of investments.

16. Distinguish between open underwriting and firm underwriting.

17. Explain the accounting steps involved in the calculation of profit/loss prior to incorporation.

18. Zee ltd invited applications for 100000 shares of Rs. 10 each payable as follows:

On application Rs. 2 On allotment Rs. 3 On first call Rs. 2 On final call Rs. 3

130000 share applications were received 10000 applications were rejected and pro rata allotment was made to the rest. All the amounts were duly received except the first and final call on 3000 shares. Sitaram,  the holder of 2000 shares paid the amount of first and final cals along with allotment. Pass journal entries in the books of the company.

19. On 1.5.2017 Mr. Prasad purchased 2000 10% debentures of Rs.100 each at Rs.95 per debenture and paid brokerage of ½% and stamp duty of Rs.125. On 30.9.2017 he sold 1000 debentures at Rs.98 per debenture. Rs.150 were paid as expenses on them. Interest were paid on 30th june  and and 31st december each year. Prepare 10 % debenture account.

20. The balance sheet of a company disclosed the following:

1. Share Capital: 40000 equity shares of Rs.10 each, Rs.8 paidup Rs.320000
2. Statement of profit & loss Rs.200000
3. General reserve Rs.100000

The company resolved that all the general reserve and part of the profit and account balance be utilised in the following manner:

* By paying Rs.2 per share on the partly paid shares in order to make them fully paid.
* Issue fully paid bonus shares at the rate of one fully paid share for every four shares held.

Give journal entries in connection with bonus issue.

21. A fire occured at the premise of a trader on  31.05.2018 destroying a great part of the stock. Stock on 1.1.2018 was Rs. 60000, and the value of stock salvaged was Rs.13500. The gross profit on sales was 30% and sales amounted to Rs.153000 from January to the date of fire, while for the same period the purchases was Rs.103500. Prepare the statement of claim. **(6 X 5 = 30marks)**

**Section C**

*Answer any 2questions. It carries 15marks.*

22. The followingis the trial balance ofDELL Ltd at 31-03-2018

|  |  |  |
| --- | --- | --- |
| Particulars | Dr. | Cr. |
| Stock (31-3-2018)  Sales  Purchases  Wages  Discount  Furniture  Salaries  Rent  Sundry Expenses  Surplus A/c  Dividends paid  Share capital  Debtors and Creditors  Plant and Machinery  Cash and Bank  General Reserve  Patents and trademarks | 75,000    2,45,000     50,000     17,000       7,500     4,950     7,050     9,000    37,500    29,000    16,200     4,830 | 3,50,000       5,000       15,030  1,00,000     17,500     15,500 |
|  | 5,03,030 | 5,03,030 |

Adjustments:

1. Stock on 31-3-2018 is valued at Rs.82,000
2. Depreciation of fixed assets @10%
3. Make provision for income tax@50%
4. Ignore CDT

Prepare final accounts as per Schedule III of Companies Act,2013

23. Spot light has issued 60,000, 8%Redeemable Preference shares of Rs.20 each and 4,00,000 Equity shares of Rs.10 each. The preference shares are redeemable at a premium of 5% on 1- 4-2018.As on 31-3-2018,the company’s Balance Sheet stood as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities |  | Assets |  |
| Share Capital:  60000 8% preference shares of 20 each  400000 equity shares of 10 each | 1200000  4000000 | Plant & machinery | 2500000 |
| P&L a/c | 700000 | Furniture | 900000 |
| Creditors | 1100000 | Stock | 1500000 |
|  |  | Debtors | 1400000 |
|  |  | Investment | 350000 |
|  |  | Cash at bank | 350000 |
|  | 7000000 |  | 7000000 |

It is decided:

1. To sell the investments for Rs.3,00,000
2. To finance the part of redemption from the company ‘s fund ,subject  to leaving a balance of Rs.2,00,000 in the profit and loss account,and
3. To issue sufficient number of equity shares of Rs.10 each at a premium of Rs 2 per share to raise the balance of fund required.

The preference shares are duly redeemed.Give journal entries and show the Balance Sheet in vertical form.

24. Tandon carried out the following transactions in the shares of Bright ltd.

1. On 1.4.2017 he purchased 20000 equity shares of Rs. 1 each fully paid for Rs. 30000
2. On 15.5.2017 Tandon sold 4000 shares for Rs. 7600.
3. At a meeting on 15.6.2017 the company decided:
   1. To make a bonus issue of one fully paid share for every four shares held on 1-6-2017
   2. To give its members the right to apply for one share for every five shares held on 1.6.2017 at a price of Rs. 1.5/share of which 75 paise is payable on or before 15th July 2017 and the balance 75 paise per share on or before 15th September 2017.The shares issued under a) and b) were not to rank for dividend for the year ending 31.12.2017.

4. Tandon received his bonus shares and took up 2000 shares under the rights issue, paying the sums thereon when due and selling the rights to the remaining shares at 40 paise/share; the proceeds were received on 30/9/17.

5. On 15.3.2018, he received dividend from bright ltd of 15% in respect of the year ended 31.12.2017

6. On 30.3.2018 he received Rs. 14000 for the sale of 10000 shares.

Prepare Tandons investment account. Apply average cost basis.

25. From the following details, calculate consequential loss claim

1. Date of fire: 1st September

2. Indemnity period:6 months

3. Period of disruption: 1st September to 1stfebruary

4. Sum insured: Rs.1, 08,900

5. Sales were Rs.6, 00,000 for the preceding financial year ended on 31 st March

6. Net profit for preceding Financial Year Rs.36000 plus Insured Standing Charges Rs.72000

7. Rate of Gross profit 18%

8. Uninsured Standing Charges Rs.6000

9. Turnover during the Disruption Period Rs.67500

10. Annual turnover for 12 months immediately preceding the date of fire Rs.660000

11. Standard Turnover, for corresponding months (1st Sep to 1st Feb.) in the year preceding the date of fire Rs.250000

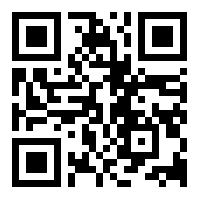
12. Reduced turnover avoided through increase in working capital Rs.30000

13. Increase in cost of working capital Rs.12000 with saving of insured Standing charges 4,500 during the disruption period

14. Special clause stipulated A) increase in ratio of GP 25%

B). Increase in turnover (standard and annual) 10%

**(2 X 15 = 30 marks)**



***Scan QR code for the answer scheme***