647510 **BBA3CaEC308x** **Seat No :________**

B.B.A. Semester - 3 (*CBCS*) Examination
December.-2020 [NEW COURSE]
Corporate Accounting (Elective)

Time: 1:30 Hours **Marks: 42**

Instructions:

1. Figure to the right indicate marks.
2. There are five questions in the question paper.
3. Answer any three of the following questions.

Q.1 BRS Ltd. Purchases assets of Rs.3,80,000 from Bhakti Traders. It issued equity shares of Rs.10 each fully paid in satisfaction of their claim. What entries in the books of BRS Ltd. be made in case such issue is : (a) at par, (b) at discount of 5% and (c) at premium of 25%? (14)

Q.2 Shah Ltd. invited applications for 10,000 shares of Rs.100 each at a discount of 6% payable as follows: (14)
On applications Rs.25, on allotment Rs.34 on first and final call Rs.35.
The applications received were for 9,000 shares and all of these were accepted. All moneys due were received except the first and final call on 100 shares which were forfeited. 50 shares were re-issued@Rs.90 as fully paid. Pass entries in the cash book and Journal of the company.

Q.3 The following balances were extracted from the books of PRAGATI Ltd.: (14)

		Rs.
(1)	8% redeemable cumulative preference shares:	1,00,000
	1,000 shares of Rs.100 each fully called up	
	Less: calls unpaid at Rs.25 per share Amount paid up	500
		99,500
(2)	Security premium account	14,000
(3)	General reserve	34,000
(4)	Cash at bank	55,000
(5)	Proposed dividend on cumulative preference shares	7,840

The directors redeemed the preference shares at a premium of 10% and for that purpose made a fresh issue of equity shares for such amount as was necessary for the purpose after utilizing the available sources to the maximum extent and satisfied the amount of preference dividend.

You are required to show the journal entries including those relating to cash for recording the above transactions. Ignore taxation.

Q.4 What is Bonus Share? Discuss the objectives and advantages of Bonus Shares. (14)

Q.5 XYZ Co. Ltd. was registered with an authorized capital of Rs.10,00,000 divided into shares of Rs.10 each, of which 40,000 shares had been issued and fully paid. (14)

The following is the Trial Balance extracted on 31st March, 1991:

	Debit (Rs.)	Credit (Rs.)
Stock (1st April, 1990)	1,86,420	--
Purchases and Sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing wages	1,09,740	--
Sundry manufacturing wages	19,240	--
Carriage inwards	4,910	--
18% bank loan (secured)	--	50,000
Interest on bank loan	4,500	--
Office salaries and expenses	17,870	--

Auditor's fees	8,600	--
Directors remuneration	26,250	--
Preliminary expenses	6,000	--
Freehold premises	1,64,210	--
Plant and machinery	1,28,400	--
Furniture	5,000	--
Loose tools	12,500	--
Debtors and creditors	1,05,400	62,220
Cash in hand	19,530	--
Cash at bank	96,860	--
Advance payment of tax	84,290	--
P&L A/c. on 1st April, 1990	--	38,640
Share capital	--	4,00,000
	17,30,610	17,30,610

You are required to prepare Trading A/c., Profit and Loss A/c. and Profit and Loss appropriation A/c. for the year ended 31st March, 1991 and Balance Sheet as at that date after taking to consideration the following adjustments.

(i) On 31st March, 1991 outstanding manufacturing wages and outstanding office salaries stood at Rs.1,890 and Rs.1,200 respectively. On the same date stock was valued at Rs.1,24,840 and loose tools at Rs.10,000.

(ii) Provide for interest on bank loan for 6 months.

(iii) Depreciation on plant and machinery is to be provided@15% while on office furniture it is to be@10%.

(iv) Write off one-third of balance of preliminary expenses.

(v) Make a provision for income tax@50%.

(vi) The directors recommended a maiden (first) dividend@15% for the year ending 31st March, 1991 after a transfer of 5% of net profits to general reserve.

****