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

B.B.A. Semester - 3 (*CBCS*) Examination
Oct/Nov - 2025 [New Course]
Corporate Accounting (Elective)

Time: 2:30 Hours **Marks:70**

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate marks.

Que.1 Raj Ltd. incorporated with an Authorized capital of Rs. 50,00,000 divided into equity shares of 10 each issued 2,00,000 shares at a discount of Rs.1 per share payable Rs. 4 per share on application, 3 per share on allotment and the balance on final call. Applications were received for 2,25,000 shares. The Board of Directors made full allotment and refunded excess applications. All shareholders have paid allotment and call money except Shradhdha who was allotted 1,000 shares has not paid final call. Give necessary journal entries. (14)

OR

Que.1 Guddi Ltd. Purchased assets of Rs. 22,80,000 from Shah 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%?

Que.2 Shah Ltd. invited applications for 1,00,000 shares of Rs. 100 each at a discount of 6% payable as follows: (14)

On application Rs. 25, on allotment Rs. 34, on first and final call Rs. 35.

The applications received were for 90,000 shares and all of these were accepted. All moneys due were received except the first and final call on 1000 shares which were forfeited. 500 shares were re-issued @ Rs. 90 as fully paid. Pass entries in the cash book and Journal of the company.

OR

Que.2 Give journal entries for the forfeiture and re-issue of shares:

(1) B Ltd. forfeited 100 equity shares of Rs. 10 each held by Rooldu Ram on 15th December, 2000, for non-payment of First Call of Rs. 2 per share and the Final Call of Rs. 3 per share. These shares were re-issued to Ghasita Ram on 25th December, 2000, at a discount of Rs. 3.50 per share.

(2) B Ltd. forfeited 200 equity shares of Rs. 10 each, issued at a premium of Rs. 5 per share, held by Motu Ram on 15th December, 2000, for non-payment of the Final Call of Rs. 3 per share. These shares were re-issued to Lok Nath on 25th December, 2000, at the discount of Rs. 4 per share.

(3) B Ltd. forfeited 150 equity shares of Rs. 10 each, issued at a premium of Rs. 5 per share, held by Khotu Ram on 15th December, 2000 for non-payment of allotment money of Rs. 8 per share (including Share Premium Rs. 5 per share), the First Call of Rs. 2 per share and the Final Call of Rs. 3 per share. Out of these 100 equity shares were re-issued to Shree Bhagwan at Rs. 14 per share on 25th December, 2000.

Que.3 Jay Ltd. had issued 1,50,000, 10% Preference shares of Rs. 10 each, redeemable at a premium of 10% on 31st December 2000. The Dividend for 1995, is yet to be paid. The company has adequate balance in general reserves. To provide funds for redemption, company. (14)

(1) Sold investments costing Rs. 2,00,000 for Rs. 3,00,000.
(2) Issued for Cash 2,500, 15% Debentures of Rs. 100 at par.
(3) Issued 50,000 equity shares of Rs. 10 at a premium of Rs. 4 per share.

The payment of dividend, premium and capital was duly carried out. Show journal entries.

OR

Que.3 The Balance Sheet of JRS Ltd., as at 31st December, 2000 is as follows:

Liabilities	Rs.	Assets	Rs.
Share capital:.		Fixed Assets:	
500 redeemable preference		Land and buildings	1,00,000
shares of Rs. 100 each fully paid	50,000	Plant	30,000
9,000 equity shares of Rs. 10		Furniture	2,000
each fully paid	90,000	Current Assets:	
Reserve and Surplus:		Stock	30,000
Security premium	10,000	Debtors	15,000
Gerreral reserve	20,000	Investments	28,000
Profit & Loss A/c	25,000	Bank	20,000
Current liabilities	30,000		
	2,25,000		2,25,000

The company decided to redeem its preference shares at a premium of 5 per cent, on 31st January, 2001. A fresh issue of 1,000 equity shares of Rs. 10 each was made at Rs. 12 per share, payable in full on 31st January, 2001. These were fully subscribed and all moneys were duly collected. All the investments were sold realising Rs. 27,000. The Directors wish that only a minimum reduction should be made in the revenue reserves. You are required to give the journal entries, including those relating to cash to record the above transactions and draw up the balance sheet as it would appear after redemption of preference shares.

Que.4 Explain the Concept of Bonus Share. Discuss the Advantages and Disadvantages of Bonus Shares. (14)

OR

Que.4 Explain the sources for issue of Bonus Shares. What are the SEBI's Guidelines for issue of Bonus Shares.

Que.5 The Bhakti Auto Parts Manufacturing 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, 2024.

	Debit (Rs.)	Credit (Rs.)
Stock (1st April, 2023)	1,86,420	-
Purchases and Sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing Wages	1,09,740	-
Sundry Manufacturing Expenses	19,240	-
Carriage Inwards	4,910	-
18% Bank Loan (Secured)	-	50,000
Interest on Bank Loan	4,500	-
Office Salaries and Expenses	17,870	-
Auditors' 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, 2023	-	38,640
Share Capital	-	4,00,000
	17,30,610	17,30,610

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2024 and a Balance Sheet as at that date after taking into consideration the following adjustments:

(1) On 31st March, 2024 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.
(2) Provide for interest on Bank Loan for 6 months.
(3) Depreciation on plant and machinery is to be provided @ 15% while on Office Furniture it is to be @ 10%.
(4) Write off one-third of balance of Preliminary Expenses.
(5) Make a Provision for Income Tax @ 50%.
(6) The directors recommended a maiden (first) dividend @ 15% for the year ending 31st March, 2024 after a transfer of 5% of net profits to General Reserve.

OR

Que.5 The following balances appeared in the books of Nayana Ltd. As on 31st March, 2024:

Particulars	Debit (Rs.)	Credit (Rs.)
Equity shares of Rs. 10 each, fully paid up	-	6,00,000
General reserve	-	2,30,000
Unclaimed dividend	-	526
Trade creditors	-	42,858
Buildings (at cost)	1,50,000	-
Purchases	5,00,903	-
Sales	-	10,83,947
Manufacturing expenses	3,50,000	-
Establishment charges	26,814	-
General charges	31,078	-
Machinery (at cost)	2,30,000	-
Furniture (at cost)	5,000	-
Opening stock	1,72,058	-
Book debts	2,32,380	-
Investments	2,88,950	-
Provision for depreciation on fixed assets	-	91,000
Advance payment of income-tax	50,000	-
Cash at bank	72,240	-
Director's fees	1,800	-
Interest on investments	-	8,544
Profit and loss account (1.4.2023)	-	16,848
Staff provident fund	-	37,500
	21,11,223	21,11,223

From the above mentioned balances and the following information, prepare the company's balance sheet as on 31st March, 2024 and its profit and loss account for the year ended on that date:

(1) The stock on 31st March, 2024 was valued at Rs. 1,48,680.
(2) Provide Rs. 19,000 for deprecation on fixed assets and Rs. 8,000 for managing director's remuneration.
(3) Interest accrued on investments amounted to Rs. 2,750.
(4) Make a provision of Rs. 50,000 for income-tax.
(5) The directors propose a dividend @ 8% after transfer of Rs. 35,000 to general reserve.

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