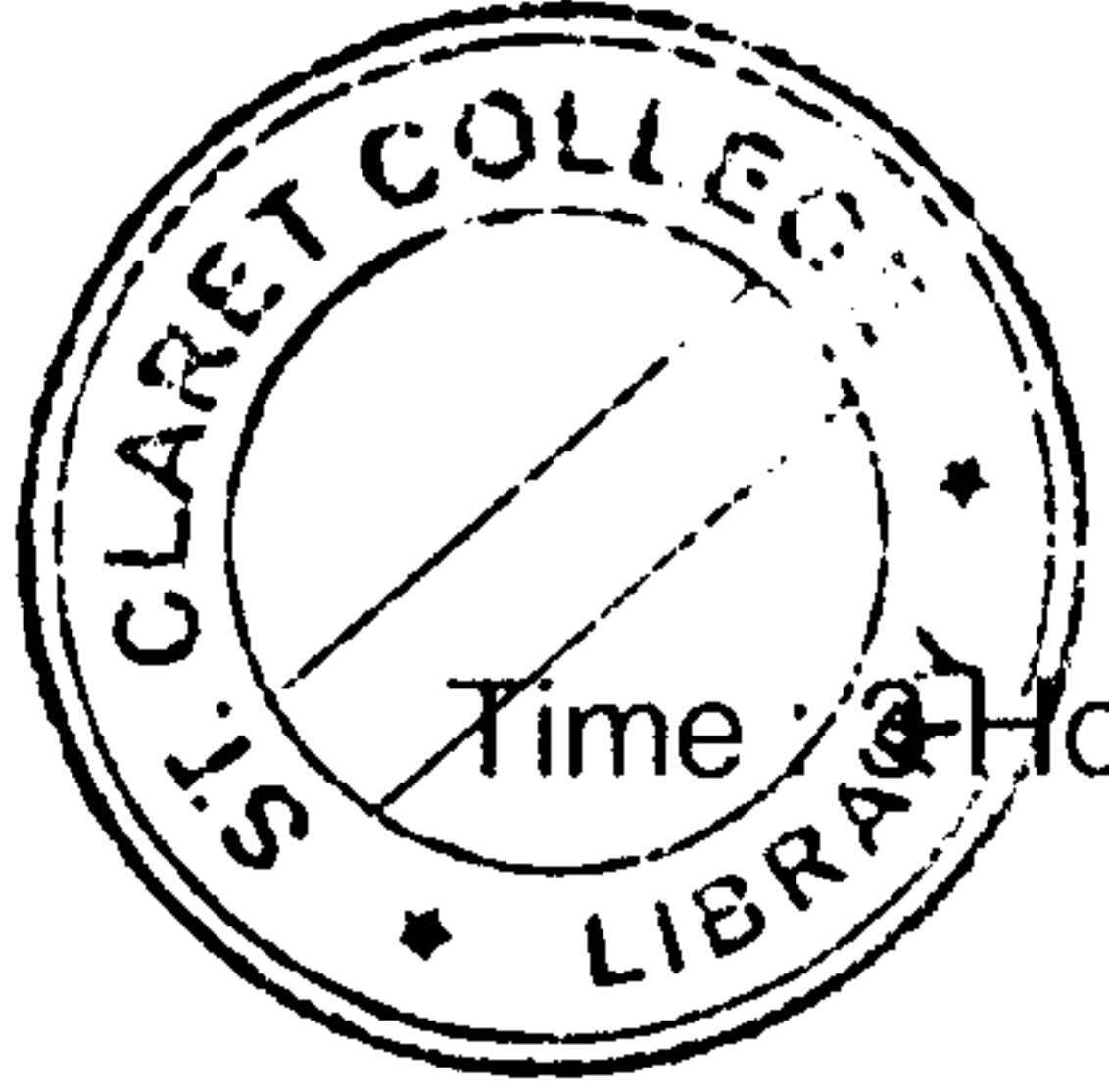




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III Semester B.Com. Examination, November/December 2015
(Prior to 2013-14) (Repeaters)
COMMERCE

3.3 : Corporate Accounting – I
(100 – 2012-13 Only)
(90 – Prior to 2012-13)



Max. Marks : 90/100

Instruction : Answer should be written completely either in **English** or in **Kannada**.

SECTION – A

Answer **any ten** sub-questions. **Each** sub-question carries **2** marks. (10×2 = 20)

1. a) Give the meaning of marked share application.
- b) What is firm underwriting ?
- c) What are cumulative preference shares ?
- d) What is CRR ?
- e) What is capital employed ?
- f) State any two methods of calculating goodwill.
- g) What is final dividend ?
- h) What is normal rate of return ?
- i) State under what headings the following items will appear in the Balance Sheet of a company.
 - i) Work-in-progress
 - ii) Debentures.
- j) What is meant by valuation of shares ?
- k) How do you ascertain the fair value of shares ?
- l) What do you mean by calls-in-advance ?

P.T.O.



SECTION – B

Answer **any five** of the following. **Each** question carries **5** marks.

(5×5 = 25)

7.

2. A company issued 1,00,000 shares of ₹ 10 each. The whole issue was fully underwritten by A, B, C and D as follows :

A : 40,000, B : 30,000, C : 10,000, and D : 20,000 shares.

The Company Received Applications for 90,000 shares of which marked applications were as follows :

A : 34,000, B : 22,000, C : 4,000 and D : 16,000 shares.

Determine the liability of each underwriter.

3. Describe briefly the different types of underwriting.

4. Following are the particulars of Krishna Ltd.

8.

	₹
Equity share of ₹ 10 each	3,00,000
5% Debentures	75,000
Current liabilities	97,500
Current Assets	1,50,000
Fixed Assets	4,12,500
Goodwill	37,500

An

9.

Calculate the value of shares under Net Asset Method.

5. Renuka Ltd. has 2000, 11% preference shares of ₹ 100 each fully paid, capital reserve ₹ 20,000, securities premium ₹ 6,000 general reserve ₹ 34,000, Profit and Loss A/c ₹ 54,000. The preference share were due to be redeemed @ 10% premium as the divisible profits inadequate, the company issued equity shares of ₹ 10 each at a discount of 10% for redemption.

Pass the necessary Journal Entries.

6. From the following information, calculate the value of goodwill under 3 years purchase of super profits method.

a) Average capital employed ₹ 8,70,000.

b) Net profits of the firm for last 3 years were : ₹ 1,22,000, ₹ 98,500 and ₹ 1,75,500.

c) Managerial remuneration if employed elsewhere ₹ 18,000 per annum.

d) Normal rate of return 8%.



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d) Normal rate of return 8%.



10. The Balance Sheet of Naveen Ltd. is as follows on 31-3-2015.

Liabilities	Amount	Assets	Amount
Equity share of ₹ 10 each	4,00,000	Fixed Assets	3,20,000
General Reserve	1,60,000	Investment	
Profit and Loss A/c	80,000	(6% Govt. Bonds)	80,000
Current liabilities	80,000	Current Assets	3,20,000
	7,20,000		7,20,000

The profits after taxation are :

2012-13 : ₹ 1,12,000, 2013-14 : ₹ 96,000, and 2014-15 : ₹ 1,28,000

The normal rate of return is 10%

The current Assets are to be taken as ₹ 3,36,000

Ascertain the Goodwill under :

- i) 3 years purchase of super profits.
- ii) Capitalisation of super profit.

11. The Balance Sheet of Sujatha Ltd. was as follow in 31-3-2015.

Liabilities	Amount	Assets	Amount
4,000 shares of ₹ 100 each	4,00,000	Land and Building	1,76,000
Profit and Loss A/c	82,400	Plant and Machinery	76,000
Bank overdraft	16,000	Stock	1,24,000
Creditors	61,600	Sundry Debtors	2,80,000
Provision for Tax	36,000		
Proposed Dividend	60,000		
	6,56,000		6,56,000

The profits of company after deducting all working charges and providing depreciation and provisions for Taxation were as under :

Year	Profits (₹)
2010 – 11	– 68,000
2011 – 12	– 76,800
2012 – 13	– 72,000
2013 – 14	– 80,000
2014 – 15	– 76,000

On 31-3-2015, Land and Building was revalued at ₹ 2,00,000 plant and machinery at ₹ 1,20,000 and goodwill at ₹ 1,20,000. The normal rate of return is 10%.

You are required to calculate the value of equity shares under :

- Intrinsic value method
- Yield method
- Fair value method.

12. Following is the Balance Sheet of Amul Ltd. as on 31-3-2015.

Liabilities	Amt.	Assets	Amt.
10000, 8% redeemable Pref. shares of ₹ 10 each	1,00,000	Fixed Assets	4,00,000
20000, 7% redeemable Pref. Shares of ₹ 10 each, ₹ 5 paid up	1,00,000	Investment	1,00,000
20000 Equity shares of ₹ 10 each	2,00,000	Stock	40,000
Securities premium	80,000	Debtors	60,000
General Reserve	60,000	Bank	2,00,000
Capital Reserve	70,000		
Profit and Loss A/c	90,000		
Current liabilities	1,00,000		
	8,00,000		8,00,000

On 1-4-2015 the Company redeemed both preference shares at a premium of 10%. In order to pay off the preference shareholders, the company issued 25000 equity shares of Rs. 10 each at 5% premium.

Pass the Journal Entries and prepare Balance Sheet.



13. Following are the Trial Balance of Johnson Ltd. as at 31-3-2015.

Debit Balances	₹	Credit Balances	₹
Opening stock	1,50,000	Equity share capital	5,00,000
Purchases	3,80,000	Purchase returns	10,000
Wages	60,000	Sales	11,50,000
Carriage	2,000	Discount Received	6,300
Furniture	25,000	Surplus Account	1,70,000
Salaries	12,000	Sundry creditors	33,700
Rent	15,000	General Reserve	82,000
Trade Expenses	11,000	Bills payable	13,000
Sundry debtors	54,000	Provision for doubtful debts	3,000
Plant and Machinery	12,00,000		
Cash at Bank	21,500		
Patents	9,000		
Bills receivable	14,000		
Bad debts	6,500		
Discount allowed	8,000		
	19,68,000		19,68,000

Additional Information :

- 1) Stock on 31-3-2015 valued ₹ 2,00,000.
- 2) Depreciate plant and Machinery at 12%, Furniture at 10% and patents at 20%.
- 3) Further bad debts amounted to ₹ 4,000. Provide 5% on debtors for bad debts.
- 4) Provide for income tax @ 35% and Ignore CDT.
- 5) Board of Directors proposed the Dividend of 25%

Prepare Final Accounts of the company.

Ans

14.

SECTION – D
(Compulsory for 2012-13 Students)

Answer the following question which carries 10 marks.

(1×10 = 10)

14. State the headings under which the following items are shown in the Balance Sheet of the company.

- a) Fixed Deposits from public.
- b) Preliminary expenses.
- c) Loose tools.
- d) Plant and Machinery.
- e) Calls-in-arrears.
- f) General Reserve.
- g) Bills Receivable.
- h) Proposed Dividend.
- i) Sundry Creditors.
- j) Sundry Debtors.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ ಹತ್ತು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪ-ಪ್ರಶ್ನೆಗೂ ಎರಡು ಅಂಕಗಳಿರುತ್ತದೆ.

(10×2 = 20)

1. a) ಗುರುತಿಸಲ್ಪಟ್ಟ ಷೇರುಗಳ ಅರ್ಜಿಯ ಅರ್ಥವನ್ನು ತಿಳಿಸಿ.
- b) ನಿಶ್ಚಿತ ಖರೀದಿ ಭರವಸೆ ವಂತಿಗೆ ಎಂದರೇನು ?
- c) ಸಂಚಿತ ಆದ್ಯತಾ ಷೇರುಗಳು ಎಂದರೆ ಏನು ?
- d) ಬಂಡವಾಳ ವಿಮೋಚನೆ ನಿಧಿ ಎಂದರೇನು ?