

# ANNAI VIOLET ARTS AND SCIENCE COLLEGE

## DEPARTMENT OF COMMERCE

### CONTINUOUS INTERNAL ASSESSMENT – I (EVEN SEM.)

#### SUBJECT: CORPORATE ACCOUNTING

Class: II B.Com., General

Max.Marks: 50

Date: 30.08.2022-AN

Sub. Code: CZ23A

#### PART A (5 × 2 = 10 Marks)

Answer any FIVE questions

1. Definition of a company?
2. Name the different kinds of share?
3. What is meant by allotment of shares?
4. Explain the concept of issue of share premium?
5. Give the meaning of share forfeiture?
6. What is a debenture?
7. List down the various methods of redemption of debentures?

#### PART B – (2 × 5 = 10 Marks)

Answer any TWO questions

8. A company forfeited 10 shares of Rs.10 each. Issued at a premium of 10% for the non – payment of the final call of Rs.3 per share but of these, 7 shares were reissued at Rs.8 per share as fully paid up. Pass Journal entries.
9. A company incorporated on 1.7.2004 to take over the business and of Mr. Kumar as a going concern with effect from 1.4.2004. Accounts are closed on 31.3.2005. Total sales for the year 31.3.2005 was Rs.30000 divided in to Rs.100000 for the period up to 1.7.2004 and the balance for the remaining period calculate the time ratio and sales ratio.
10. Goodwill Ltd. issued 1,000 6% debentures of Rs. 100 each. Give journal entries in each of the following cases:

- (a) The debentures are issued and are redeemed at par.
- (b) They are issued at a discount of 6% but redeemable at par
- (c) They are issued at a premium of 5% but redeemable at par
- (d) They are issued at a discount of 4% but are redeemable at a premium of 5%.

#### PART C – (3 × 10 = 30 Marks)

Answer ALL questions

11. A Ltd. invited applications for 10,000 equity shares of Rs.100 each at a premium of Rs.10 per share. Payment was to be made as follows:  
On application Rs. 20; On allotment ₹ 40 (including premium); On first call ₹ 30; On final call ₹ 20.  
Applications received for 13,000 shares. Application for 2,000 shares were rejected and allotment of shares was made proportionately to the remaining applicants. The directors made both the calls and all the money received except the final call on 300 shares which were forfeited after the required notices were served. Later 200 of the forfeited shares were reissued as fully paid @ ₹ 85 per shares. Pass journal entries and prepare the balance sheet.
12. The following is the balance sheet of Popular Ltd as on 30<sup>th</sup> June 2001.

Liabilities	Amount	Assets	Amount
1000 7% Redeemable Pref. Shares of Rs. 100 each	100000	Fixed Assets	200000
Eq. Shares of Rs.10 each	100000	Bank Balance	112000
Share premium	2000		
General Reserve	70000		
Profit & Loss A/c	10000		
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	282000		282000

In order to redeem the preference shares 7000 equity shares of Rs.10 each were issued at par. The preference shares were redeemed to a premium of 10%. Give journal entries and prepare balance sheet

13. Rohan Company Ltd was incorporated on 30.6.2000 to take over the business of Rajam as from 1.1.2000. The financial accounts of the business for the year ended 31.12.2000 disclosed the following information.

Sales Jan to June	- Rs.120000	July to Dec	- Rs.180000
Purchase			
Jan to June	- Rs.75000	July to Dec	- Rs.120000
Gross profit	- Rs.105000		
Salaries	- Rs. 15000	Selling expenses	- Rs. 3000
Depreciation	- Rs. 1500	Admin. Expenses	- Rs. 4500
Director Remuneration	- Rs.750	Debenture Interest	- Rs. 90
Profit for the year	- 24840		

Ascertain pre and post incorporation profit.

**Prepared by**  
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