



**Institute of Management
JK Lakshmipat University
Jaipur**

END TERM EXAMINATION 2018

Programme: B.com.(H) Sem.. IV
MM: 50 Marks

Subject: Corporate Accounting
Time: 3 Hours
Subject code: AC10

Instructions: **Attempt any three questions from Section A. Section B is compulsory.**

Section A

Q1. The balance sheet of RGV Ltd. is given as follows:

(10 marks)

Liabilities	Amount	Assets	Amount
Issued Capital 10000 Equity Shares of Rs. 10 Each fully paid-up	100000	Goodwill	10000
10000 7% Preference Shares of Rs. 10 each fully paid-up	100000	Fixed Assets	90000
		Stock	25000
		Debtors	30000
		Profit & Loss A/c	45000

It was resolved that equity capital of Rs. 10 each be reduced to fully paid-up shares of Rs.6 each and 7% preference shares of Rs. 10 each be reduced to 7.5% fully paid preference share of Rs. 7 each. Number of shares in each case remained the same. It was further resolved that amount so available be used for writing off the debit balance of profit and loss a/c, goodwill a/c completely and other fixed assets as far as possible. Make journal entries and prepare revised balance sheet.

Q2. A company has financial resources which can be used to redeem the debentures. Out of what financial resources debentures can be redeemed? State various methods of their redemption.

(10 marks)

Q3. Dolphy Ltd. invited applications for 200000 equity shares of Rs. 10 each at a discount of 10% payable as follows:

(10 marks)

Application Rs. 3.50; Allotment Rs. 2.50; Final call Rs 3

Applications were received for 180000 shares and all calls due were received except final call on 4000 shares which were forfeited. Out of these 4000 shares 2000 shares were reissued Rs. 8 per share fully paid-up. Post journal entries of the company and prepare a balance sheet.

Q4 Explain the following any 2: (with Example)

(10 marks)

- a. Conversion of Preference Shares
- b. Calls in Arrear and Calls in Advance
- c. Amalgamation and Absorption

Q5. Due to fire on 30th September 2015, the entire stock was burnt except some stock costing Rs.70000.

The books were saved and shown the following information:

- a. The company average gross profit was 25% on sales.
- b. The stock on 31st March 2015 valued at 10% above cost was Rs. 220000.
- c. The purchase and sales from 1st April 2015 up to the date of fire were 300000 and 680000 respectively.
- d. The wages for the period amounted to Rs. 144000
- e. The company got the stock insured for Rs. 120000
- f. The policy had an average clause.

You are required to prepare a statement showing the amount of stock lost by fire and the amount of claim to be lodged with the insurance company.

(10 marks)

Section B

Q6. A. RL Ltd. issues 2000000, 7% Debentures in 2013 and the same were due for redemption in 2018 (January 01) out of profits. The DRR stood at Rs. 740000. The debentures were redeemed at a premium of 5%. Pass journal entries in the books of the company for redemption.

(6 Marks)

B. What are the objectives of amalgamation of firms?

(6 Marks)

C. Aqua Ltd. issues 2000, 12% Debentures of Rs. 200 each at a discount of 5% payable as follows:
Application Rs. 65; Allotment Rs. 50; First Call Rs. 40 and Final Call Rs. 35.

Applications were received for 1650 Debentures. The company allotted debentures to all and all money was received except 160 debentures on allotment and 175 debentures on final call. Post necessary journal entries in the books of the company.

(8 Marks)