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Total No. of Questions : 09

BBA (Sem–5)

CORPORATE ACCOUNTING

Subject Code : BBA-521-18

M.Code : 78196

Date of Examination : 16-06-2023

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTIONS-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION-A

1. Write short notes on the following :

a) Participating Preference Shares

b) Security Premium

c) Corporate Accounting

d) Non-convertible Debentures

e) Underwriting of Shares

f) Profit Prior to Incorporation

g) General Reserve

h) Holding Company

i) Goodwill

j) Current Assets.

SECTION-B

UNIT-I

2. A public limited company invited applications for the issue of 2,00,000 Equity shares of Rs. 10 each at a premium of Rs. 1 per share. The shares were payable as Rs. 2 on application, Rs. 4 on allotment (including premium), Rs. 3 on first call and Rs. 2 on final call. The applications were received for 2,60,000 shares. The company decided to reject 40,000 share applications and were allotted the rest proportionately. All the calls were made and an applicant holding 6,000 shares could not pay the dues on final call. Consequently, these shares were forfeited and subsequently re-issued at Rs. 9 per share.

   You are required to pass the necessary journal entries for the above transactions.

3. What do you mean by buy-back of shares? What are the objectives of buy-back of shares? Also describe the accounting procedure for buy-back of shares.

UNIT-II

4. Define preference shares. Discuss the conditions for redemption of preference shares. Also discuss various methods for redemption of preference shares.

5. On January 1, 2022 ABC Ltd. had 1,000 5% debentures of Rs. 100 each. The interest is payable on June 30 and December 31 every year. In accordance .with the debenture trust deed, the directors acquired in the open market debentures for immediate cancellation as follows:

   March 1, 2022 Rs. 10,000 @ Rs. 98.00 (cum-interest);

   August 1, 2022 Rs. 20,0000 @ Rs. 100.25 (cum-interest)

   November 1, 2022 Rs. 5,000 @ Rs. 98.50 (ex-interest)

   You are required to pass the necessary journal entries in the books of company.

UNIT-III

6. **On March 31, 2022 the following balances appeared in the books of Alfa Hotels Ltd.**

Particulars	Amount (₹)	Particulars	Amount (₹)
Interest on Debentures	60,000	12% Mortgage Debentures	5,00,000
Rates and Taxes	18,00 0	Share Capital	40,00,000
Opening Stock	2,50,000	General Reserve	5,00,000
Purchases	25,00,000	Unclaimed Dividends	15,000
Salaries and Wages	9,50,000	Provision for Bad Debts	50,000
Provident Fund Contribution	30,000	Trade Creditors	2,50,000
Misc. Expenses	50,000	Outstanding Expenses	80,000
Bonus to Employees	24,000	Staff Provident Fund	7,50,000
Land	15,00,000	Profit and Loss Account	81,000
Buildings	50,00,000	Misc. receipts	65,000

Furniture and Fittings	15,00,000	Income from Boarding and Lodging	64,30,000
Trade Debtors	3,50,000		
Cash in Hand	4,89,000		
Total	**1,27,21,000**	**Total**	**1,27,21,000**

After taking the following information into account, prepare the company's Profit and Loss Account and Balance Sheet as on March 31, 2022:

a) Closing Stock is Rs. 3,00,000

b) Provide depreciations @ 10% on Building and furniture and Fittings.

c) Make a provision for taxation of Rs. 1,00,000.

7. What is managerial remuneration? Explain how the net profit of a company is computed for the purpose of calculating managerial remuneration?

UNIT-IV

8. What do you mean by consolidated balance sheet? Write a detailed note on various factors that are to be considered while preparing a consolidated balance sheet of a holding company.

9. What do you mean by corporate reporting? Discuss the recent trends in financial reporting practices.

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.