


Name: Enrolment No:			
UNIVERSITY OF PETROLEUM AND ENERGY STUDIES End Semester Examination, December 2022			
Course: Corporate Accounting Program: BCOM-LLB (Hons.) Course Code: FINC2067		Semester: III Time: 03 hrs. Max. Marks: 100	
Instructions:			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1	Securities premium cannot be applied _____. (a) For paying dividends to members (b) For issuing bonus shares to members (c) For writing off preliminary expenses of the company (d) For writing off discount on issue of debentures	2	CO1
Q 2	Premium on the issue of shares is shown on which side of the balance sheet? (a) Assets (b) Liabilities (c) Both assets and liabilities (d) None of the above	2	CO1
Q 3	What is the formula for calculating the goodwill under the capitalization method? (a) Average profits are divided by the rate of return.	2	CO1

	(b) Average profits multiplied by the rate of return. (c) Super profits multiplied by the rate of return. (d) Super profits are divided by the rate of return.														
Q 4	Shareholders are: - (a) Customers of the company (b) Owners (c) Creditors (d) None of these	2	CO1												
Q 5	A Ltd. forfeited 100 shares whose face value Rs.10 each is Rs.3.50 per share paid up. It can be re-issued maximum up to: - (a) Rs.3.50 (b) Rs.6.50 (c) Rs.10 (d) None of these	2	CO1												
SECTION B (4Qx5M= 20 Marks)															
Q 6	Write a short note on “Calls in arrears” and “Calls in advances”.	5	CO2												
Q 7	What to you understand by Redeemable Preference Shares?	5	CO2												
Q 8	Explain the differences between shares and stock.	5	CO2												
Q 9	What is the purpose of Valuation of Shares? Describe the various methods of valuation of shares.	5	CO2												
SECTION-C (2Qx10M=20 Marks)															
Q 10	Pass necessary journal entries in the books Company with the redemption of Preference Shares: (a) A company redeems its 5,000 5% Preference Shares of Rs.100 each at par, out of profits otherwise available dividends. (b) A company redeems its 2,000 8% Preference Shares of Rs.100 each at a premium of 10%, out of profits otherwise available dividends. (c) A company redeems its 1,000 7% Preference Shares of Rs.100 each at a premium of 10%. For this, it issues 10,000 equity shares of Rs.10 each at par. The new issue is fully subscribed and paid for.	10	CO1												
Q 11	The Balance Sheet of Y Ltd. as on 31 st March, 2017 was as under: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount</th> <th style="width: 30%;">Assets</th> <th style="width: 25%;">Amount</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td style="text-align: right;">3,20,000</td> <td>Machinery</td> <td style="text-align: right;">1,60,000</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">84,000</td> <td>Furniture</td> <td style="text-align: right;">20,000</td> </tr> </tbody> </table>	Liabilities	Amount	Assets	Amount	Capital	3,20,000	Machinery	1,60,000	Creditors	84,000	Furniture	20,000	10	
Liabilities	Amount	Assets	Amount												
Capital	3,20,000	Machinery	1,60,000												
Creditors	84,000	Furniture	20,000												

	<table border="1"> <tbody> <tr> <td></td> <td>Book Debts</td> <td>1,60,000</td> </tr> <tr> <td></td> <td>Stock</td> <td>60,000</td> </tr> <tr> <td></td> <td>Cash at Bank</td> <td>4,000</td> </tr> <tr> <td></td> <td>4,04,000</td> <td>4,04,000</td> </tr> </tbody> </table> <p>Goodwill is to be valued at 5 years purchase of the super profit of the business. The normal rate of return is 8%. A provision of 10% on book-debts is to be made. Furniture is to be revalued at rupees 12,000, Machinery at rupees 2,00,000 and Stock at rupees 72,000. Outstanding Salaries are rupees 4,000. Fair remuneration of the proprietor is rupees 2,000 p.m. Calculate the amount of Goodwill if the profits for the last four years were as under-</p> <p>2013-14 – 64,000 2014-15 – 60,000</p> <p>2015-16 – 70,000 2016-17 - 80,000</p>		Book Debts	1,60,000		Stock	60,000		Cash at Bank	4,000		4,04,000	4,04,000		CO3
	Book Debts	1,60,000													
	Stock	60,000													
	Cash at Bank	4,000													
	4,04,000	4,04,000													
SECTION-D (2Qx25M=50 Marks)															
Q 12	<p>A Limited has been registered with an authorized capital of Rs.20,00,00 divided into 20,000 shares of Rs.10,000 shares were offered for public subscription at a premium of Rs.5 per share, payable as under:</p> <table> <tbody> <tr> <td>On Application</td> <td>Rs.30</td> </tr> <tr> <td>On Allotment (Including premium)</td> <td>Rs.25</td> </tr> <tr> <td>On First Call</td> <td>Rs.20</td> </tr> <tr> <td>On Second Call</td> <td>Rs.30</td> </tr> </tbody> </table> <p>Applications were received for 18,000 shares, of which applications for 3,000 shares were rejected outright; the rest of the applications were allotted 10,000 shares on pro-rata basis. Excess applications money was transferred to allotment.</p> <p>All the moneys were duly received except from Sundar, holder of 200 shares, who failed to pay allotment and first call money. His shares were later forfeited, and re-issued to Shyam at Rs.60 per share, Rs.70 paid up. Final Call has not been made. Pass necessary Journal entries in the books of A Limited</p>	On Application	Rs.30	On Allotment (Including premium)	Rs.25	On First Call	Rs.20	On Second Call	Rs.30	25	CO3				
On Application	Rs.30														
On Allotment (Including premium)	Rs.25														
On First Call	Rs.20														
On Second Call	Rs.30														
Q 13	The Balance Sheet of X Ltd. as on 31 st March, 2017 was as under:	25	CO3												

Liabilities	Amount	Assets	Rupees
5000,9% Pref. Shares of 100 each	5,00,000	Building	6,60,000
1,00,000 Equity Shares @ 10 each	10,00,000	Machinery	3,40,000
General Reserve	1,50,000	Computers	1,40,000
Surplus(P/L)	50,000	Motor	1,20,000
9% Debentures	2,00,000	Goodwill	1,40,000
Creditors	1,00,000	Stock	3,60,000
		Debtors	1,60,000
		Cash at Bank	40,000
		Preliminary expenses	40,000
	20,00,000		20,00,000

Additional Informations -

- (a) The value of Building and Stock to be taken at rupees 10,00,000 and 4,00,000 respectively.
 - (b) Machinery, Computers and Motor subjects to 10% depreciation.
 - (c) Debtors – Good Rupees 1,40,000
 - (d) Doubtful (50% likely to realize) Rupees 20,000
 - (e) Goodwill is valued Rupees 2,00,000
 - (f) Preference Shares dividend has not been paid for last two years.
- Calculate Value of each Equity Share by Net Assets Method