

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, Dec 2019**

**Course : Corporate Accounting**  
**Program : BBA, LLB (Hons) Corporate Accounting**  
**Max. Marks: 100**

**Semester: IIIrd**  
**Time: 03 hrs.**  
**C. Code : CLNL 2020**

**Instructions : All questions are compulsory**

S. No	Section A	Multiple Choice Questions	Marks	CO
Q1.	Puneet limited purchased vehicles for Rs.8,00,000 from M/s Bansal Ltd. The payment was made by issue of fully paid shares of Rs.10 each. State the number of shares issued :	(a) 8,00,000 shares (b) 7,00,000 shares (c) 80,000 shares (d) 80,00,000 shares	2	1
Q2.	Shreya Ltd. invited applications for 1,00,000 shares of Rs. 10 each. Applications were received for 95,000 shares. Name the kind of subscription:	(a) Under subscription (b) Over subscription (c) Minimum subscription (d) None of the above	2	1
Q3	T Limited acquired assets worth Rs.6,00,000 from P Limited by issue of shares of Rs.100 at a premium of 20%. The number of shares to be issued by T Limited to settle the purchase consideration:	(a) 6,000 shares (b) 4,800 shares (c) 7,200 shares (d) 5,000 shares	2	2
Q4	Super profit is:	(a) The profit, in excess of abnormal gain (b) The profit, which covers the amount of abnormal loss (c) The profit, in excess of normal profit (d) All of these	2	1
Q5	Find the value of goodwill when: Profits of last 5 years were Rs3,000; Rs5,000; Rs(1,000); Rs4,000; and Rs(2,000) number of year's purchase = 2 years.	(a) Rs.3,000 (b) Rs.3,600 (c) Rs.9,000 (d) Rs.6,000	2	2
	<b>SECTION B</b>	<b>(2 x 10 = 20 Marks)</b>		
Q6	The profits and losses for last five years were		10	2

	1st year - Rs.8,000 (including an abnormal gain of Rs.1,000) 2nd year - Rs.12,000 (excluding Rs.2,000 as insurance premium) 3rd year - Rs.7,000 (after charging an abnormal loss of Rs.1,000) 4th year - Rs.8,000 5th year - Rs.3,000 (loss) Calculate the amount of Goodwill on the basis of 2 years' purchase of last 5 years profits and losses.																																																													
Q7	Explain the factors affecting the valuation of shares.				10	3																																																								
	<b>SECTION C</b> (2 X 10 = 20 Marks)																																																													
Q8	<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><b>Shareholders' Fund</b></td> <td></td> <td>Building</td> <td>1,50,000</td> </tr> <tr> <td>Share capital:20,000</td> <td></td> <td>Plant</td> <td>2,50,000</td> </tr> <tr> <td>Equity shares of Rs10 each</td> <td>2,00,000</td> <td>Goodwill</td> <td>60,000</td> </tr> <tr> <td>Reserves and Surplus:</td> <td></td> <td>Stock</td> <td>1,00,000</td> </tr> <tr> <td>Reserves 3,40,000</td> <td></td> <td>Debtors</td> <td>2,00,000</td> </tr> <tr> <td>Profits 60,000</td> <td>4,00,000</td> <td>Bank</td> <td>1,00,000</td> </tr> <tr> <td><b>Non-Current Liabilities</b></td> <td></td> <td>Cash</td> <td>2,10,000</td> </tr> <tr> <td>Long-term Loan</td> <td>3,00,000</td> <td>Discount on shares</td> <td>30,000</td> </tr> <tr> <td><b>Current Liabilities</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td>80,000</td> <td></td> <td></td> </tr> <tr> <td>Provision for Taxation</td> <td>50,000</td> <td></td> <td></td> </tr> <tr> <td>Proposed Dividend</td> <td>70,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td>11,00,000</td> <td></td> <td>11,00,000</td> </tr> </tbody> </table> <p>The assets of the company were valued as, building Rs.1,00,000, plant Rs.1,90,000, debtors Rs.1,60,000 and other assets are at their book value. Find the value of each equity share.</p>				Liabilities	Amount	Assets	Amount	<b>Shareholders' Fund</b>		Building	1,50,000	Share capital:20,000		Plant	2,50,000	Equity shares of Rs10 each	2,00,000	Goodwill	60,000	Reserves and Surplus:		Stock	1,00,000	Reserves 3,40,000		Debtors	2,00,000	Profits 60,000	4,00,000	Bank	1,00,000	<b>Non-Current Liabilities</b>		Cash	2,10,000	Long-term Loan	3,00,000	Discount on shares	30,000	<b>Current Liabilities</b>				Creditors	80,000			Provision for Taxation	50,000			Proposed Dividend	70,000				11,00,000		11,00,000	10	3
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Q9	<p>Pass necessary journal entries: Komalika Ltd. had issued 10,000, 8% Redeemable Preference shares of Rs 100 each which are redeemable at par on January 1, 2015. In order to meet this obligation, the company decides to issue 50,000 fresh equity shares of Rs 10 each at Rs12 and 5,000 9% preference shares of Rs100 each at Rs110. The whole amount is received in cash and 8% preference shares are redeemed. Show the necessary journal entries in the books of the company.</p>				10	2																																																								
	<b>SECTION D</b> (2 x 25 = 50 Marks)																																																													
Q10	<p>Prepare cash flow statement from the following information :-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Liabilities</th> <th style="width: 10%;">Amount (in Rs.)</th> <th style="width: 10%;">Amount (in Rs.)</th> <th style="width: 20%;">Assets</th> <th style="width: 10%;">Amount (in Rs.)</th> <th style="width: 10%;">Amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity share capital</td> <td>1,00,000</td> <td>1,50,000</td> <td>Land and building</td> <td>1,00,000</td> <td>80,000</td> </tr> <tr> <td>7% Preference share capital</td> <td>50,000</td> <td>60,000</td> <td>Furniture</td> <td>80,000</td> <td>95,000</td> </tr> <tr> <td>General reserve</td> <td>15,000</td> <td>25,000</td> <td>Book debts</td> <td>20,000</td> <td>10,000</td> </tr> <tr> <td>Profit and loss A/c</td> <td>80,000</td> <td>95,000</td> <td>Inventories</td> <td>20,000</td> <td>12,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Prepaid expenses</td> <td>25,000</td> <td>40,000</td> </tr> </tbody> </table>				Liabilities	Amount (in Rs.)	Amount (in Rs.)	Assets	Amount (in Rs.)	Amount (in Rs.)	Equity share capital	1,00,000	1,50,000	Land and building	1,00,000	80,000	7% Preference share capital	50,000	60,000	Furniture	80,000	95,000	General reserve	15,000	25,000	Book debts	20,000	10,000	Profit and loss A/c	80,000	95,000	Inventories	20,000	12,000				Prepaid expenses	25,000	40,000	25	3																				
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	Creditors	10,000	8,000	Cash	10,000	15,000		
	Bank overdraft	3,000	6,000	Bank	6,000	93,000		
	Outstanding Expenses	3,000	1,000					
	<b>Total</b>	<b>2,61,000</b>	<b>3,45,000</b>	<b>Total</b>	<b>2,61,000</b>	<b>3,45,000</b>		
	Additional information :-							
	1. Land and building is depreciated by 20%.							
	2. Furniture is depreciated by Rs.10,000.							
	3. Dividend paid Rs.5,000.							
Q11	Ashwin Limited issued 10,000 shares of Rs.100 each payable Rs.30 on application, Rs.20 on allotment, Rs.25 on first call and balance on final call. Applications were received for 15,000 shares and pro rata allotment was made to applicants for 12,000 shares. Ram the holder of 50 shares failed to pay the allotment money and on his failure to pay the first call, his shares were immediately forfeited after the first call. Half of these shares were reissued at Rs.90 per share fully paid up. Pass journal entries.						25	3