


<b>Name:</b>	
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**End Semester Examination, May 2022**

**Course: B.COM (HONS.) E.COM/ B1 B1, B2, B3, Integrated (B.Com (Hons)) - (MBA)**

**Semester: II**

**Program: CORPORATE ACCOUNTING**

**Time: 03 hrs.**

**Course Code: FINC1015**

**Max. Marks: 100**

**Instructions:**

**ALL QUESTIONS ARE COMPULSORY.**

**SECTION A**  
**10Qx2M=20Marks**

S. No.		Marks	CO
<b>Ques 1</b>	<b>MULTIPLE CHOICE QUESTIONS</b>		
(i)	Which of the following is not the application of cash? (a) Increase in Outstanding Expenses (b) Increase in Prepaid Expenses (c) Increase in Inventory (d) Increase in Bills Receivable	2	CO1
(ii)	Cash Flow Statement is prepared from: (a) Balance Sheet (b) Profit and Loss A/C (c) Additional Information (d) All the above	2	CO1
(iii)	The profit of re-issue of forfeited share is transferred to: (a) Bonus Share A/C (b) Capital Reserve A/C (c) General Reserve A/C (d) Share Capital A/C	2	CO1
(iv)	The valuation of Goodwill is necessary in the case of: (a) Sale Company (b) Valuation of Shares (c) Purchase of other company (d) All of above	2	CO1
(v)	Transfer in capital redemption reserve account is allowed from: (a) Workmen's Compensation Fund (b) Securities Premium Account	2	CO1

	(c) Share Forfeited Account (d) Capital Reserve		
(vi)	The present value of annuity of Re.1 for 3 years at 10% is 2.487. Super Profit is Rs.22,000. The amount of Goodwill will be: (a) Rs.5,471 (b) Rs.2200 (c) Rs.71,745 (d) Rs.54,714	2	CO1
(vii)	Which of the following is not the source of cash? (a) Purchase of Fixed Assets (b) Funds from Operation (c) Issue of Debenture (d) Sale of Fixed Assets	2	CO1
(viii)	In Cash Flow Statement the items of dividend paid is shown in: (a) Operating Activities (b) Investing Activities (c) Financing Activities (d) Both (a) and (c)	2	CO1
(ix)	Redeemable preference Shares can be redeemed: (a) Only if they are fully paid (b) Even if they are partly paid (c) If they are paid not less than 50% of the nominal value of shares (d) Only if they are issued at a premium	2	CO1
(x)	Discount allowed on re-issue of forfeited shares is debited to: (a) Share Discount A/C (b) Share Forfeited A/C (c) Profit and Loss A/C (d) General Reserve A/C	2	CO1

**SECTION B**

**4Qx5M= 20 Marks**

**SHORT ANSWER QUESTIONS**

<b>Ques 2.</b>	Write a short note on calls-in advance and call-in arrears.	5	C02
<b>Ques 3.</b>	What is the need of valuing goodwill of a company?	5	C02
<b>Ques 4.</b>	What do you understand by Redeemable Preference Share?	5	C02
<b>Ques 5.</b>	Explain the method of Preparing Cash Flow Statement.	5	C02

**SECTION-C**

**3Qx10M=30 Marks**

**LONG ANSWER QUESTIONS**

<b>Ques 6.</b>	What are Preference Shares? Describe the different types of Preference Shares.	10	C03
<b>Ques 7.</b>	What is Goodwill? Explain the methods of valuing Goodwill.	10	C03
<b>Ques 8.</b>	What do you understand by Cash Flow Statement? How is it prepared?	10	C03

**OR**

Pass the necessary journal entries for the in the books Company with the redemption of Preference Shares:

- (a) A Co. redeems its 8000 9% Redeemable Preference Shares of Rs.100 each at a premium of 15%. For this, it issues 80,000 equity shares of Rs.10 each at a premium of 20%. The new issue is fully subscribed and paid for.
- (b) A Co. redeems its, 5,000, 10% Redeemable Preference shares of Rs.100 each at a premium of 10%. For this, it issues 20,000 equity shares at Rs.10 each at a premium of 5%, and for the rest, it utilizes the Profit and Loss account which had a credit balance of Rs.4,00,000.

**SECTION-D**

**2Qx15M= 30 Marks**

**PRACTICAL QUESTIONS**

**Ques 9.**

From the following Balance Sheets of Vivek Ltd., prepare Cash Flow Statement:

	Particulars	Note No.	31-3-2019 (Rs.)	31-3-2018 (Rs.)
<b>I</b>	<b>EQUITY AND LIABILITES</b>			
	(1) Shareholder's Funds:			
	(a) Share Capital	<b>1</b>	2,90,000	2,50,000
	(b) Reserve and Surplus		1,52,000	50,000
	(2) Current Liabilities			
	(a) Trade Payables		5,000	23,000
	(b) Short term Provision	<b>2</b>	35,000	27,000
	<i>Total</i>		<b>4,82,000</b>	<b>3,50,000</b>
<b>II</b>	<b>ASSETS:</b>			
	(1) Non-Current Assets:			
	Fixed Assets:			
	(a) Tangible Assets	<b>3</b>	1,50,000	1,40,000
	(b) Intangible Assets		20,000	30,000
	(2) Current Assets			
	(a) Inventory		95,000	45,000
	(b) Trade Receivables		2,00,000	1,20,000
	(c) Cash and Bank Balances		17,000	15,000
	<i>Total</i>		<b>4,82,000</b>	<b>3,50,000</b>

**Notes:**

		31-3-2019 (Rs.)	31-3-2018 (Rs.)
<b>1.</b>	<b>Share Capital:</b>		

**15**

**C04**

	Equity Share Capital	2,50,000	2,00,000
	Preference Share Capital	40,000	50,000
	<b>Total</b>	<b>2,90,000</b>	<b>2,50,000</b>
<b>2.</b>	<b>Short term Provision:</b>		
	Provision for Tax	<b>35,000</b>	<b>27,000</b>
<b>3.</b>	<b>Tangible Assets:</b>		
	Building	80,000	1,00,000
	Plant	70,000	40,000
	<b>Total</b>	<b>1,50,000</b>	<b>1,40,000</b>

**Additional Information:**

- (a) Depreciation charged on Plant was Rs.30,000 and on Building Rs.50,000.  
(b) Income Tax paid during the year amounted to Rs.25,000.

**Ques 10.**

The following particulars are available in the respect of the business carried on by Max Ltd.:

- (a) Capital Employed- Rs.10,00,000.  
(b) Trading Profit: 2013-14 – Rs. 2,44,000; 2014-15 – Rs.3,00,000; 2015-16 – Rs.40,000 (Loss); 2016-17 – Rs.4,20,000.  
(c) Market Rate of interest on investment 8%.  
(d) Rate of risk return on capital invested in business 2%.  
(e) Remuneration from alternate employment of the proprietor (if not engaged in the business) Rs.6,000 p.m.

You are required to compute the value of goodwill on the basis of 3 years' purchase of super profit calculated on the average profits of the last four years.

**OR**

K 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:

	<b>Rs.</b>
On Application	30
On Allotment	25 (Including premium)
On First Call	20
On Second Call	30

Applications were received for 18,000 shares, of which applications for 3,000 shares were rejected outright; the rest of the applications were allotted

**15**

**C04**

	<p>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 K Limited.</p>		
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