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SECOND SEMESTER UG EXAMINATION, APRIL 2023

B.Com HONOURS

GBCH2B08T: CORPORATE AC	COUNTING – 1
Time: 3 Hours	Maximum Marks: 80
PART A: Answer all the questions. Each carries <i>one</i> mar Choose the correct answer.	k.
1. Gain from bargain purchase is also known as	
A) Premium B) Goodwill C) Negative good	dwill D) Capital Reserve
2. Which of the following leads to the reduction of capital?	
	hares D) All of these
3. An entity which controls one or more other entities is known	wn as
A) Group of companies B) Parent	Company
C) Subsidiary company D) All of	these
4. Proportionate share in the net asset of the subsidiary comp	pany that belongs to the investors outside
the group is known as	
A) Goodwill B) Controlling interest C) Ex- in	nterest D) Non Controlling interest
5. Which of the following can not be used for the issue of bo	nus shares?
A) Credit balance in sinking fund B) Reserve	e created out of revaluation of fixed asset
C) General reserve D) Credit	balance in P&L account
ESU See Alea Diambea	
Fill in the Blanks.	ate estimated
6. Issue ofis known as capitalisation of pro	ofit.
7. If shares are bought back out of free reserve, an amount e	equal to the face value of share bought
back should be transferred toA/C.	
8. In consolidated balance sheet, NCI is shown under the hea	ad
9. Ind ASdeals with the presentation and preparat	ion of consolidated financial statement.
10. The amount involved in the buyback of shares should not	exceed 25% of
	$(10 \times 1 = 10 \text{ Marks})$
PART B: Answer any eight questions. Each carries two ma	arks.
11 What is amplayed a stock antion plan?	
11. What is employee's stock option plan?	
12. What is minimum subscription?	of somewise?
13. What do you mean by indirect holding in the case of group	117 000000111000
14. What is bonus shares?	
15. What are the methods of redemption of debentures?	

- 16. A Ltd. purchased 70% shares of B Ltd. paying ₹.12,00,000. Total assets and liabilities of B Ltd are ₹28,00,000 and ₹7,00,000 respectively. Calculate goodwill/gain from bargain purchase.
- 17. What is stock split?
- 18. What do you mean by subsidiary company?
- 19. Ajantha Ltd. decided to utilise its free reserve of ₹ 6,00,000 to issue bonus shares of Rs 10 each at a premium of ₹ 2 per share. Show journal entries for issue of bonus shares.
- 20. What do you mean by surrender of shares?

 $(8 \times 2 = 16 \text{ Marks})$

PART C: Answer any six questions. Each carries four marks.

- 21. Jyothi Ltd. forfeited 90 shares of ₹100 each for the non payment of the first call of ₹ 30 per share. The company has not yet made the final call of ₹10. Later the company reissued 60 of these forfeited shares at ₹ 80 as fully paid up. Give journal entries for forfeiture and reissue.
- 22. What are the circumstances for issue of bonus share?
- 23. Smart Ltd. has 60,000 equity shares of ₹ 100 each. They decided to buy back 10,000 shares at ₹ 95 per share. For this purpose they issued 8,000 9% preference shares of ₹ 50 each at a premium of ₹ 10 per share, and balance amount met from securities premium account and general reserve. On that date their securities premium account showed a balance of ₹ 4,00,000 and general reserve ₹ 6,00,000. Show journal entries for buy back of shares.
- 24. Prepare a consolidated balance sheet of Raju. Ltd. and Radha. Ltd. from the following information, on which date Raju. Ltd. Acquired the shares of Radha. Ltd.

Equities and liabilities	Raju. Ltd.	Radha. Ltd.
Equity share capital (₹ 100 each)	5,00,000	2,50,000
P&L account	1,60,000	1,00,000
Current liabilities		
Creditors	2,15,000	_50,000
	8,75,000	4,00,000
Assets	to continue to	
Non Current Assets	and to make mer ad t	Buck
Tangible Assets	4,80,000	3,00,000
Investment in Radha Ltd (2000 shares)	2,40,000	Carrier or 1.2741(1)
Current Assets	1,55,000	1,00,000
	8,75,000	4,00,000

25. H Ltd. acquired 70% shares of S Ltd on 1st April 2019. Total Share Capital of S Ltd is 40000 shares of ₹ 100 each. Total amount paid by H Ltd. as purchase consideration is ₹ 34,00,000 On 1st April 2019 the balance sheet of S Ltd. Showed credit balance of P&L account of ₹ 8,00,000 and it increased as ₹ 900,000 on 31st march 2020. Calculate the NCI and goodwill/Gain from bargain purchase to be shown in the consolidated statement on 31st march 2020.

- 26. Neelkamal Ltd. has 5000 8% debentures of ₹ 100 each redeemable at 10% premium. Company decided to redeem 20% of these debentures by converting it into equity shares of ₹ 50 at a premium of ₹ 5/share. Show journal entries for redemption and conversion.
- 27. What are the circumstances in which fraction shares arise?
- 28. Akash Ltd. decided to purchase its own 400 12% debentures of ₹ 1000 each at ₹ 950 per debenture for immediate cancellation on October 1st 2019. Interest is payable on 30th june and 31st December every year. Pass journal entry if the quotation is an:
 - i) Ex-interest quotation,

ii) Cum-interest quotation

 $(6 \times 4 = 24 \text{ Marks})$

PART D: Answer any two questions. Each carries fifteen marks.

- 29. Rainbow Ltd. has an authorised capital of ₹ 50,00,000 divided into 50,000 shares of ₹ 100 each. Company decided to issue 40,000 of these shares to the public payable as ₹ 30 on application, ₹ 20 on allotment, ₹ 20 on First call, ₹ 10 on first call and the balance as and when required. Applications were received for 56,000 shares of which application for 8,000 shares were fully rejected and balance shares were allotted in pro rata basis. All the money received except the second call money from Suresh holding 800 shares and first call and second call from Raghu, holding 300 shares. Subsequently these shares were forfeited. Show journal entries for issue of shares and forfeiture.
- 30. Sivani Ltd. issued 2000 12% debentures of ₹ 500 each on 1st April 2015 which will be redeemable after 5 years by using sinking fund. Assumed that the interest rate is 5% p a. Investment of ₹ 0.18 per year will be realised as ₹ 1 after 5 years along with the compound interest. Amount will be transferred to sinking fund at the end of every year ending 31st march. Investment realised after 5 years at a profit of ₹ 15,000. Prepare sinking fund A/C, sinking fund investment A/C and debenture A/C.
- 31. What do you mean by Accounting standard? What are the applications of accounting standards? Explain Ind AS1, Ind AS 8, and Ind AS 10.

 $(2 \times 15 = 30 \text{ Marks})$