

SECOND SEMESTER UG EXAMINATION, APRIL 2023

B.Com HONOURS

GBCH2B08T: CORPORATE ACCOUNTING – 1

Time: 3 Hours

Maximum Marks: 80

**PART A: Answer all the questions. Each carries one mark.
Choose the correct answer.**

1. Gain from bargain purchase is also known as.....
 - A) Premium
 - B) Goodwill
 - C) Negative goodwill
 - D) Capital Reserve
2. Which of the following leads to the reduction of capital?
 - A) Bonus issue
 - B) Right issue
 - C) Buy back of shares
 - D) All of these
3. An entity which controls one or more other entities is known 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 company that belongs to the investors outside the group is known as.....
 - A) Goodwill
 - B) Controlling interest
 - C) Ex- interest
 - D) Non Controlling interest
5. Which of the following can not be used for the issue of bonus shares?
 - A) Credit balance in sinking fund
 - B) Reserve created out of revaluation of fixed asset
 - C) General reserve
 - D) Credit balance in P&L account

Fill in the Blanks.

6. Issue of _____ is known as capitalisation of profit.
7. If shares are bought back out of free reserve, an amount equal to the face value of share bought back should be transferred to _____ A/C.
8. In consolidated balance sheet, NCI is shown under the head _____
9. Ind AS _____ deals with the presentation and preparation of consolidated financial statement.
10. The amount involved in the buyback of shares should not exceed 25% of _____

(10 x 1 = 10 Marks)**PART B: Answer any eight questions. Each carries two marks.**

11. What is employee's stock option plan?
12. What is minimum subscription?
13. What do you mean by indirect holding in the case of group of companies?
14. What is bonus shares?
15. What are the methods of redemption of debentures?

(PTO)

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 x 2 = 16 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	<u>2,15,000</u>	<u>50,000</u>
	8,75,000	4,00,000
Assets		
Non Current Assets		
Tangible Assets	4,80,000	3,00,000
Investment in Radha Ltd (2000 shares)	2,40,000	-----
Current Assets	<u>1,55,000</u>	<u>1,00,000</u>
	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.

