

Total No. of Printed Pages—11

2 SEM TDC CA (CBCS) C 203

2023

( May/June )

COMMERCE

( Core )

Paper : C-203

( Corporate Accounting )

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks  
for the questions*

1. (a) Write True or False : 1×3=3

- (i) Share Application money should be at least 25% of the face value of shares.
- (ii) Capital Redemption Reserve Account can be utilised for issuing fully paid bonus shares.
- (iii) Pooling of Interest Method is applied when the amalgamation is in the nature of Merger.

P23/1122

( Turn Over )





( 2 )

(b) Fill in the blanks :  $1 \times 3 = 3$

(i) Yield method of valuation of shares is also known as \_\_\_\_\_ method.

(ii) As per Banking Regulation Act, 1949, at least \_\_\_\_\_% of the profits must be transferred to Statutory Reserve.

(iii) Pre-acquisition profits are treated as \_\_\_\_\_ profit.

(c) Choose the most appropriate answer :  $1 \times 2 = 2$

(i) Accounting for amalgamation relates to

(1) Accounting Standard-14

(2) Accounting Standard-21

(3) Accounting Standard-6

(ii) Profit on re-issue of forfeited shares is transferred to

(1) Capital Reserve

(2) General Reserve

(3) Capital Redemption Reserve

P23/1122

( Continued )

( 3 )

2. Write short notes on any four of the following :  $4 \times 4 = 16$

(a) Conditions of buyback of shares

(b) Non-banking assets

(c) Valuation of shares

(d) Rebate on bill discounted

(e) Minority interest

3. (a) Saikia Ltd. issued 20000 equity shares of ₹ 100 each at a premium of 20% payable ₹ 30 on application, ₹ 60 on allotment (including premium), ₹ 20 on first call and balance on final call. The company received applications for 30000 equity shares. Excess of 6000 shares application money was refunded for non-allotment and balance adjusted with share allotment. All the amount due on shares was received with the exception of Sonowal, whom 500 shares were allotted failed to pay first and final call money and Boruah, to whom 300 shares were allotted failed to pay final call money. All these shares were

P23/1122

( Turn Over )





( 4 )

forfeited after due notice and subsequently reissued to Haloi at ₹ 80 per share fully paid up.

Pass necessary Journal Entries in the books of the company and draw up Balance Sheet of the company. 8+6=14

Or

- (b) (i) Write SEBI (Securities and Exchange Board of India) guidelines for issue of Bonus Shares. 7
- (ii) Write the prohibitions on issue of shares at a discount under Section 53 of the Companies Act, 2013. 7

4. (a) Following is the Trial Balance of JKT Co. Ltd. as at 31st March, 2023 :

Particulars	Debit ₹	Credit ₹
Stock on 01.04.2022	7,50,000	
Sales		35,00,000
Purchases	24,50,000	
Wages	5,00,000	
Discount		50,000
Furniture & Fittings	1,70,000	
Salaries	75,000	
Rent	49,500	

P23/1122

( Continued )

( 5 )

Particulars	Debit ₹	Credit ₹
Sundry Expenses	70,500	
Surplus A/c on 01.04.2022		1,50,300
Dividend Paid	90,000	
Share Capital		10,00,000
Debtors and Creditors	3,75,000	1,75,000
Plant & Machinery	2,90,000	
Cash & Bank	1,62,000	
Reserve		1,55,000
Patents & Trade Marks	48,300	
	<u>50,30,300</u>	<u>50,30,300</u>

Prepare Statement of Profit and Loss for the year ended 31st March, 2023 and Balance Sheet as at that date after taking into consideration the following adjustments : 7+7=14

- (i) Closing Stock on 31st March, 2023 was valued at ₹ 8,20,000
- (ii) Depreciation on fixed assets @ 10%
- (iii) Make a provision for income tax @ 50%
- (iv) Ignore corporate dividend tax

P23/1122

( Turn Over )





( 6 )

Or

(b) Write notes on the following :  $3\frac{1}{2} \times 4 = 14$

(i) Slip system of posting

(ii) Non-banking assets

(iii) Statutory reserve

(iv) Sub-standard assets

5. (a) On 31st March, 2023, the Balance Sheet of Bijoy Co. Ltd. was as follows :

I. Equities and Liabilities		₹
1. Shareholders' Fund :		
(a) Share Capital :		
200000 Equity Shares of ₹ 10 each fully paid		20,00,000
10000, 10% Preference Shares of ₹ 100 each fully paid		10,00,000
(b) Reserve and Surplus :		
General Reserve		15,00,000
Surplus Account		12,00,000
2. Non-Current Liabilities :		
Secured Loan : 8% Debentures		8,00,000
3. Current Liabilities :		
Sundry Creditors		2,75,000
Liability for expenses		1,25,000
		<u>69,00,000</u>

P23/1122

( Continued )

( 7 )

II. Assets :

1. Non-Current Assets :

Fixed Assets 38,00,000

Investments 10,25,000

2. Current Assets :

Stock-in-Trade 5,70,000

Sundry Debtors 12,80,000

Cash & Bank Balance 2,25,000

69,00,000

For the purposes of valuation of shares, fixed assets are to be depreciated by 10% and investments are re-valued at ₹ 10,50,000. Debtors will realize ₹ 12,30,000.

Interest on debentures is accrued for 9 months and preference dividend for the year ending 31st March, 2023 is also due; neither of these has been provided for in the books.

Calculate the value of each equity share. 8

Or

(b) Explain the various methods of valuation of goodwill. 8

P23/1122

( Turn Over )





6. (a) Following is the Balance Sheet of Haloi & Co. Ltd. as on 31st March, 2023 :

I. Equities and Liabilities		₹
1. Shareholders' Fund :		
(a) Share Capital :		
6000 Equity Shares of ₹ 100 each	6,00,000	
3000, 6% Preference Shares of ₹ 100 each	3,00,000	
(b) Reserve and Surplus :		
Surplus A/c (negative balance)	(-) 3,60,000	
2. Non-Current Liabilities :		
8% Debentures	1,50,000	
3. Current Liabilities		
Creditors	75,000	
Bank Overdraft	1,50,000	
	<u>9,15,000</u>	
II. Assets :		₹
1. Non-Current Assets :		
Land & Buildings	3,00,000	
Machinery	4,50,000	
Goodwill	22,500	
2. Current Assets :		
Stock	65,000	
Debtors	70,000	
Cash	7,500	
	<u>9,15,000</u>	

P23/1122

( Continued )

On the above date, the company adopted the following scheme of reconstruction :

- (i) The preference shares are to be reduced to fully paid shares of ₹ 75 each and equity shares are to be reduced to shares of ₹ 40 each fully paid
- (ii) The debenture holders took over stock and debtors in full satisfaction of their claims
- (iii) The fictitious and intangible assets are to be eliminated
- (iv) The Land and Building to be appreciated by 30% and Machinery to be depreciated by  $33\frac{1}{3}\%$
- (v) Expenses of reconstruction amounted to ₹ 4,500

Give Journal Entries incorporating the above scheme of reconstruction and prepare the reconstructed Balance Sheet.

6+5=11

P23/1122

( Turn Over )





Or

- (b) What is purchase consideration? Discuss the various methods for calculating purchase consideration.

2+9=11

7. (a) From the Ledger Balances as at 31st March, 2023, and information given below, you are required to prepare a Consolidated Balance Sheet : 9

Cr. Balances	H Ltd.		S Ltd.		Dr. Balances	H Ltd.		S Ltd.	
	₹	₹	₹	₹		₹	₹	₹	₹
Equity Share Capital	20,00,000	8,00,000			Fixed Assets	10,90,000	5,58,000		
General Reserve	4,00,000	2,00,000			80% Equity Shares in S Ltd.				
Surplus A/c	2,40,000	1,20,000			(at cost)	8,60,000	—		
Creditors	1,00,000	78,000			Stock	1,40,000	90,000		
					Other Current Assets	6,50,000	5,32,000		
					Preliminary Expenses	—	18,000		
	<u>27,40,000</u>	<u>11,98,000</u>				<u>27,40,000</u>	<u>11,98,000</u>		

H Ltd. purchased shares from S Ltd. on 1st October, 2022. On 1st April, 2022, Surplus A/c of S Ltd. was ₹ 40,000 and General Reserve was ₹ 1,60,000.

On 1st February, 2023, S Ltd. sold goods to H Ltd. for ₹ 40,000 which was

P23/1122

( Continued )

sold at a profit of 25% on selling price. Half of goods remain unsold and lying in the godown of H Ltd.

Or

- (b) Explain the rules for preparing a Consolidated Balance Sheet. 9

\*\*\*