

U.G. 5th Semester Examination - 2021**COMMERCE****[HONOURS]****Course Code : BCOM-H-CC-T-11****Course Title : Corporate Accounting**

Full Marks : 60

Time : 2½ Hours

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*

1. Answer any **ten** questions: 2×10=20
 যে-কোনো দশটি প্রশ্নের উত্তর দাও :
- i) What do you mean by 'Profit prior to incorporation'?
 প্রাক-নিবন্ধন মুনাফা বলতে কি বোঝ?
- ii) What do you mean by 'Cum-interest price'?
 'সুদসহ দর' বলতে কি বোঝ?
- iii) What do you mean by 'yield method' of share valuation?
 শেয়ার মূল্যায়নে, yield method বলতে কি বোঝ?
- iv) How does a holding company come into existence?
 কিভাবে একটি হোল্ডিং কোম্পানীর সৃষ্টি হয়?

- v) Mention two important factors which affect valuation of shares of a company.
 কোনো কোম্পানীর শেয়ার মূল্যায়নের উপর প্রভাব বিস্তার করে এমন দুটি বিষয় উল্লেখ কর।
- vi) State two features of Limited Liability Partnership (LLP).
 সীমিত দায়বদ্ধ অংশীদারী (LLP) কারবারের দুটি বৈশিষ্ট্য লেখ।
- vii) Write two objectives of Internal Reconstruction.
 অভ্যন্তরীণ পুনর্নির্মাণের দুটি উদ্দেশ্য লেখ।
- viii) What do you mean by 'fair value' of asset?
 সম্পত্তির 'fair value' বলতে কি বোঝান হয়?
- ix) Define 'Positive goodwill' and 'Negative Goodwill'.
 'পজিটিভ সুনাম' ও 'নেগেটিভ সুনাম' এর সংজ্ঞা দাও।
- x) What do you mean by Financial Statements? Give examples.
 আর্থিক বিবরণী বলতে কি বোঝ? উদাহরণ দাও।
- xi) What are the different methods of redemptions of preference shares?
 অগ্রাধিকারযুক্ত শেয়ার পরিশোধের বিভিন্ন পদ্ধতির উল্লেখ কর।
- xii) What are the purposes of creating Sinking Fund?
 Sinking Fund সৃষ্টির বিভিন্ন উদ্দেশ্যগুলি কী কী?

xiii) What do you mean by 'Notes to Accounts'?

Notes to Accounts বা পাদটীকা বলতে কি বোঝ?

xiv) Give two examples of 'Current Assets' and two examples of 'Non-Current-Liabilities'.

‘চলতি সম্পত্তি’ ও ‘নন-চলতি দায়ের’ দুটি করে উদাহরণ দাও।

xv) How do you measure 'Minority Interest'?

সংখ্যালঘু স্বার্থ কীভাবে পরিমাপ করবে?

2. Answer any **four** questions: $5 \times 4 = 20$

যে-কোনো চারটি প্রশ্নের উত্তর দাও :

i) On 1st April 2017, MR Ltd. issued 50,000 10% Debentures of ₹ 100 each. Half of the debentures are due for redemption on 31st March, 2021. The Debenture Redemption Reserve stood at ₹ 11,00,000 on 31st March 2020. The company further created necessary Debenture Redemption Reserve on 1st April, 2020. The Company invested the necessary amount as required by law in a fixed deposit with Canara Bank on 30th April 2020 earning interest @8%. Tax was deducted at source @10% by the bank.

Pass necessary Journal Entries regarding redemption of debentures.

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ii) Following is the extract of the Balance Sheet of K.K Traders as on 31.03.2021:

Fixed Assets	₹ 3,60,000
Current Assets	₹ 4,88,160
Investments in shares	₹ 1,20,000
Creditors	₹ 1,52,160
Capital	₹ 6,56,000
Reserve	₹ 1,60,000

The following net profits were earned which included a fixed income on investment of ₹ 8,000 per year. Year ended 31st March : 2018- ₹ 1,28,000, 2019- ₹ 1,44,000, 2020- ₹ 1,72,000, 2021- ₹ 1,80,000.

Standard rate of return on capital employed in this type of business is 8%.

Calculate the value of goodwill of the above business at 3 years purchase of the average super profits for the four years assuming (a) that each year's profit is immediately withdrawn in full by the proprietor and (b) the weights to be assigned to the profits for the purpose of averaging are :

Year Earning on

31st March : 2018 2019 2020 2021

Weight : 1 1.5 2 2.5

Ignore Income Tax.

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iii) Kolkata Ltd. had, 3,000, 12% Redeemable Preference shares of ₹100 each, fully paid up. The company had to redeem these shares at a premium of 10%.

It was decided by the company to issue the following:

- a) 25,000 Equity shares of ₹10 each at par.
- b) ₹1,000 14% Debentures of ₹100 each.

The issue was fully subscribed and all amounts were received in full. The payment was duly made. The company had sufficient profits.

Show Journal Entries in the books of the company.

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iv) The following particulars are available in relation to Abt Ltd.

- a) Equity share capital – 5000 Equity shares of ₹20 each.
- b) Preference share capital – 1000, 8% preference shares of ₹100 each.
- c) Reserve - ₹30,000
- d) Current liabilities– ₹18,000
- e) Loss on revaluation of fixed assets – ₹12,000

f) Average Trading Profit – ₹30,000 (after tax)

g) Normal rate of return on capital employed - 10%

h) Goodwill should be valued at 3 years' purchase of super profit.

Calculate Intrinsic value per Equity share.

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v) What is the need for valuation of shares? State three differences between share and debenture.

শেয়ার মূল্যায়নের প্রয়োজনীয়তা লেখ। শেয়ার ও ডিবেণ্ডারের মধ্যে তিনটি পার্থক্য উল্লেখ কর।

vi) State under which head following items should be classified in Balance Sheet as per schedule-III of the Companies Act, 2013.

a) Calls Unpaid.

b) Money received against share warrants.

c) Unpaid matured debentures and interest accrued thereon.

d) Trade payable.

e) Investments in Mutual Funds

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3. Answer any **two** questions: 10×2=20

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

i) The Balance Sheets of Humpi Ltd and its subsidiary Dumpi Ltd. as on 31st March 2021:

Particulars	Note No	Humpi Ltd (₹)	Dumpi Ltd (₹)
(1)	(2)	(3)	(4)
I. Equity and Liabilities			
1. Shareholders' Fund:			
a) Share Capital-Equity share of ₹1 each		10,000	6,000
b) Reserve & Surplus:			
General Reserve		4,000	-
Profit & Loss Account		4,000	1,800
2. Share Application Money Pending Allotment:			
3. Non-Current Liabilities:			
4. Current Liabilities			
a) Short-term Borrowings		-	-
b) Trade payable - creditors		2000	2200
TOTAL		20,000	10,000

II. Assets		
1. Non-Current Assets:		
a) Fixed Assets		
i) Tangible Assets-Land & Building	16,000	10,000
b) Non-current Investments- 4000 Equity shares in Dumpi Ltd.	4000	-
2. Current Assets:		
	-	-
TOTAL	20,000	10,000

The shares were purchased by Humpi Ltd. in Dumpi Ltd. on 30th September, 2020. On 1st April, 2020 the Profit & Loss Account of Dumpi Ltd. showed a loss of ₹3000 which was Written-off from profit earned during the year. Profits were earned uniformly over the period.

Prepare a consolidated Balance Sheet of Humpi Ltd and Dumpi Ltd as on 31st March 2021 as per Accounting Standard 21. Give the workings.

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ii) The Trial Balance of Bharat Ltd. as on 31/03/2021 is given below:

	Dr.	Cr.
Particulars	Amount(₹)	Amount(₹)
Stcok (01/04/2020)	80,000	-
Purchase	3,00,000	
Sales	-	4,80,000
Land & Building	5,30,000	-
Furniture	1,40,000	-
Salaries	50,000	-
Rent	16,000	-
Office Expenses	21,500	-
Advertisement	10,000	-
Statement of Profit & Loss (01.04.2020)	-	30,000
Equity share capital	-	6,00,000
15% Debenture	-	90,000
Creditors	-	40,000
Debtors	60,000	-
Carriage Inward	8,000	-
Carriage Outward	6,000	-
Discount on Debentures	4,500	-
Cash in hand	4,000	-
Cash at Bank	10,000	-
	12,40,000	12,40,000

Additional Information:

- Stock on 31.03.2021 ₹ 75,000
- Depreciation: Land and Building -5%
Furniture-10%
- Outstanding liability on 31.03.2021–
Salary- ₹ 2000, Rent- ₹ 500
- Provide 5% for doubtful debts on closing debtors.
- A dividend of 10% on equity share capital was proposed by the Directors. (Ignore Dividend Distribution Tax)
- Make a provision for taxation @30%
- The Managing Director's remuneration is 1% of the net profit.

Prepare Statement of Profit & Loss for the year ended 31.03.2021 and the Balance Sheet on that date (as per Schedule -III, Part-I of the Company Act, 2013 from the above information.

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iii) Following is the Balance Sheet of WildCraft Ltd as at 31/03/2021:

Particulars	Note No.	Amount (₹)
I. Equity and Liabilities:		
1. Shareholders' Fund:		
a) Share capital: Equity shares @₹10 each fully paid		5,00,000
b) Reserves and surplus (Balance in statement of Profit & Loss)		(1,00,000)
2. Current Liabilities:		
a) Trade Payable–Creditors		1,70,000
b) Short-term Provisions (Provision for tax)		10,000
TOTAL		5,80,000
II. Assests		
1. Non-Current Assets:		
a) Property, Plant & Equipment-Tangible Assets		2,70,000
2. Current Assets:		
a) Inventories (stock)		1,20,000
b) Trade Receivables-Debtors		1,70,000
c) Cash and Cash Equivalents (Cash & Bank)		20,000
TOTAL		5,80,000

A scheme of internal reconstruction was approved and Directors decided:

- to reduce the normal value of shares by ₹6 per share.
- to write-off the loss.
- to revalue the Fixed Assets at ₹1,90,000 and stock at ₹91,000.
- to provide 30% on Debtors for doubtful debts.

Give the Journal Entries to record the above-transactions and prepare the revised Balance Sheet after implementation of the scheme.

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- How purchase consideration is calculated according to AS-14?
AS-14 অনুযায়ী ক্রয় প্রতিদান কিভাবে গণনা করা হয় ?
 - How do you calculate 'Minority Interest'? Is it a liability of the group?—Explain.
Minority Interest কিভাবে হিসাব করা হয়? এটি কি গ্রুপের একটি দায়?— ব্যাখ্যা কর।