

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

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THIRD SEMESTER – APRIL 2018

16UBC3MC01– CORPORATE ACCOUNTING

Date: 03-05-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

SECTION – A

ANSWER ALL THE QUESTIONS:

(10 * 2 = 20)

1. What do you mean by cash flow statement?
2. Write any two limitations of cash flow statement.
3. What do you mean by financial statements analysis?
4. Write a note on comparative statement.
5. Define underwriting.
6. Write about underwriting commission payable to an underwriter as per law.
7. What do you mean by bonus issue?
8. Write a note on capital profit
9. What do you mean by corporate dividend tax?
10. A company was incorporated on 1.2.1998 to purchase the business of Abdul from 1st Nov 1997. there were ten employees before incorporation but 5 more were appointed on 1.2.1998 you are required to ascertain the weighted time ratio for dividing salaries when accounts are finalized on 31st Oct

SECTION - B

Answer any four Questions.

(4X10=40)

11. What are the provisions regarding Buy-Back of shares?
12. Distinguish cash flow statement and fund flow statement
13. Selvi ltd earned a profit of Rs. 2,00,000 after giving effect for the following items to its P/L a/c on 31.3.2007

Profit on sale of investments	4,000
Loss on sale of building	9,000
Depreciation on fixed assets	7,000
Amortization of goodwill	2,000
Provision for tax	60,000
Income tax paid	50,000
Extra ordinary income	10,000

Additional details available	1/4/2006	31/3/2007
Bills payable	5,000	8,000
Creditors	12,000	16,000
o/s expenses	2,000	1,000
Bills receivable	20,000	18,000
Debtors	40,000	60,000
Pre paid expenses	2,000	3,000
Accrued income	5,000	8,000
Income received in advance	2,000	1,000

Calculate net cash from operating activities for the year ending 31/3/2007

14. Explain different types of underwriting.

15. X Ltd issued 10,000 equity shares of Rs 10 each.

The issue was underwritten as follows A- 30 % : B – 30 % : C - 20 %.

However the company received applications for 8,000 shares.

Determine the liability of respective underwriters.

16. A company wants to redeem its 10,000 6% preference shares of Rs 10 each ,fully paid at 10% premium the ledger accounts show the following balance

	RS
Securities premium	2,000
Profit and loss A/c (cr)	10,000

The directors redeemed the share by making minimum fresh issue of equity share of RS 10 each at a premium 5% .Give journal entries

17. S&R co., Ltd was incorporated on July 1,1992to purchase the business of Nishabros ., as on 1.4.92.certificate of commencement of business was received on 1.8.92.the accounts for the year ended 31.3.93 disclosed net profits of RS 80,000 after charging the following :

(a). directors salary –RS 10,000

(b) Salaries –RS 20,000(4 employees in pre incorporation period and six employees in post incorporation period)

©wages-RS 10,200(5 workers at RS 80 per month in pre incorporation period and10 workers at Rs 100 p.m. in post incorporation period)

The sales were RS 3,00,000 of which RS 75,000 were in pre incorporation period

Calculate profit earned in pre and post incorporation period.

SECTION - C

Answer any two Questions.**(2X20=40)**

18, A Ltd was registered with an Authorized capital of Rs 7,50,000,6% preference shares 4,50,000 following balances as on 31.12.2009

	Rs		Rs
Stocks on 1.1.2009	2,41,500	Share capital	3,00,000
General expense	21,000	3,000 6% cumulative Preference shares of RS 100 each	
Delivery expenses	1,02,000	3,000 equity shares Rs 75 called up	2,25,000
Investments: 6,000 shares of Rs 10 each in sunrise co ltd	60,0000	General reserve	82,725
Preference dividend half year 30/6/2010	9,000	P/L A/C (cr)	58,500
Bank balance	97,500	Sales	9,18,600
Goodwill	1,00,000	5% debentures	2,10,000
trade debtors	1,67,500	Trade creditors	1,25,520
Free hold properties at cost	3,90,000	Provisions for taxation	8,800
Salaries	1,03,500		
Rent and rates	38,250		
Furniture	75,000		
Purchases	4,76,500		
Frieght and carriage inwards	3,750		
Debenture interest(half year)	5,250		
Final dividend for 2009	20,250		
Cash in hand	12,145		
Bills receivable	6,000		
	19,29,145		19,29,145

Prepare statement of profit and loss for the year ended 31.12.2010 and balance sheet at the date after taking the following into account

- (i) Closing stock rs 2,15,000
- (ii) Depreciation :2 1\2% on the freehold property and 6% furniture
- (iii) Bills receivable for rs 2,500 maturing after 31.12.2010 has been discounted with bank
- (iv) Directors proposed to pay second half years dividend on pref.shares
- (v) 10%dividend on equity shares is proposed
- (vi) Provide 5% towards reserve for doubtful debts on debtors
- (vii) Provide for corporate dividend tax

19 . What are different techniques in preparation and presentation of financial statement analysis ?

20. B ltd request you to prepare cash flow statement from the following balance sheet

Liabilities	1998	1999	Assets	1998	1999
Share capital	2,00,000	2,00,000	Land	1,55,000	2,16,000
Debentures	1,00,000	20,000	Buildings	2,00,000	2,60,000
Bank loan	80,000	1,40,000	Machinery	60,000	3,00,000
Bank O/D	--	2,60,000	Stock	90,000	1,20,000
Reserves	80,000	1,40,000	Debtors	60,000	80,000
Current liabilities	60,000	90,000	Cash at bank	30,000	--
Proposed dividend	1,00,000	1,40,000	Cash in hand	5,000	10,000
			Discount on issue of debenture	20,000	4,000
	6,20,000	9,90,000		6,20,000	9,90,000

(a) During 1999, dividend paid was Rs 1,00,000

(b) Debentures were redeemed at 20% premium

(c) Depreciation charging during 1999 was Rs 40,000 on building and Rs 20,000 on machinery

21. . Following is the balance sheet of M&Co as on 31/12/2007

liabilities		Amount	Assets	amount
60,000 equity shares @ 10		6,00,000	Sundry assets	8,00,000
5,000 redeemable preference share @ 100	5,00,000		Bank	5,51,600
Less :calls in arrears (final call of Rs 20 on 120 shares)	2,400	4,97,600		
General reserve		2,24,000		
Securities premium		30,000		
		13,51,600		13,51,600

On 1st July 2008 the company decided to redeem the preference share at the premium of 10%

On getting reminder about payment of calls in arrears, shareholder s holding 100 shares paid their dues by 31st may 2008. The shareholder holding 20 shares were due ,failure to pay the amount due there on, directors forfeited those shares and reissued them as fully paid on 10th June 2008 on receiving Rs1000.

Repayment were completed by 30th Sep 2008 except in the case of one shareholder holding 80 share who was out of India.

Further 30,000 equity shares of Rs 10 each are issued at par for the purpose of redemption.

You are required to pass journal entries and prepare balance sheet after redemption .
