

Total Sales – Rs. 5,00,000

Sales Return – Rs. 50,000

Gross Profit of 40% of Net Sales.

Cost of goods sold – Rs. ??

Operating Expenses – Rs.60,000

Non-operating Income – Rs. 21,000

Tax Rate is 50%. (15)

5. Discuss the procedure of determining cash provided by operating activities. Give suitable example to illustrate your answer. (15)
6. What is capital redemption reserve account? How is it created? How is it utilized? (15)
7. Define common size statements. Explain its advantages and disadvantages. (15)
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Roll No. ....

Total Pages : 4

**352202**

**August/September 2022**

**B.Com. (Honours) II SEMESTER**

**CORPORATE ACCOUNTING (BCOMH-202)**

Time : 3 Hours]

[Max. Marks : 75

*Instructions :*

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part-B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

**PART-A**

1. (a) State the meaning of corporate accounting. (1.5)  
(b) What is meant by buyback of shares? (1.5)  
(c) Define underwriting of shares. (1.5)  
(d) State the importance of final accounts. (1.5)  
(e) What is meant by contingencies and events occurring after balance sheet? (1.5)  
(f) Describe the importance of cash flow statement in brief. (1.5)  
(g) What is the procedure of determining cash provided by financial activities? (1.5)

- (h) Define a ratio. (1.5)  
 (i) What is trend analysis? (1.5)  
 (j) What are activity ratios? (1.5)

**PART-B**

2. Dynamic Ltd. makes an issue of 5,000 equity shares of Rs. 100 each at a premium of Rs. 12.50 per share payable as follows:

1. Rs. 12.50 on application,
2. Rs. 25.00 on allotment (including premium),
3. Rs. 50.00 on first call,
4. Rs. 15 on second Call,
5. Rs. 10 on final call.

The application and allotment money are duly received and in addition, holders of 2,500 shares pay in full on allotment. Holders of 100 shares fail to pay first call and after due notice their shares are forfeited. The amounts payable on second call (made after forfeiture) are paid in full, except that a holder of 50 shares fails to pay. 75 of the 100 shares forfeited are reissued, credited with Rs. 90 paid for Rs. 65 per share. The new shareholder pays these shares in full. The balance of Rs. 10 per share is being treated as calls-in-advance. The final call is met in full including the arrears of the second call.

Show the necessary journal entries including cash in the books of Dynamic Ltd. (15)

3. Reliance Limited furnishes you the following information on 1st January, 2005 :

12% Debentures of Rs. 100 each Rs. 4,00,000

Debenture Redemption Fund Rs. 1,50,000

Debenture Redemption Fund Investment Rs. 1,50,000

(in 8% IDBI Bonds of the face value of Rs. 1,80,000)

Interest on debentures was payable on 30th June and 31st December every year and interest on IDBI Bonds was also receivable on the same dates.

On March 1, 2005, the company purchased for immediate cancellation 480 debentures in the open market at Rs. 98 each cum-interest. The amount required for this was raised by selling 8% IDBI Bonds of the face value of Rs. 54,000. On 31st December, 2005, Rs. 40,000 was appropriated for the Debenture Redemption Fund and on the same date, 8% IDBI Bonds were purchased for the amount plus the interest on investments. The face value of the 8% IDBI Bonds purchased was Rs. 60,000.

You are required to show the journal entries in the books of the company to record the above mentioned transactions.

(15)

4. From the following information for the year ended 31st December, 2018, you are required to calculate:

1. Gross Profit Ratio;
2. Operating Ratio;
3. Net operating Profit Ratio and
4. Net Profit Ratio.