

13/05/24 (M)

Roll No.

Total Pages : 05

352201

May 2024

B.Com. (Hons.) (Second Semester)

Corporate Accounting (BCOM-BCH-201)

Time : 3 Hours]

[Maximum Marks : 75

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

Part A

1. (a) Define cumulative preference shares. 1.5
- (b) What is the difference between equity and preference shares ? 1.5
- (c) What is the role of Debenture Trustee ? 1.5
- (d) Why is the statement of equity important ? 1.5
- (e) What are the financial statements included in Section 2 (40) of Companies Act, 2013 ? 1.5

- (f) Briefly explain internal reconstruction. 1.5
- (g) What is the meaning of purchase consideration for amalgamation ? 1.5
- (h) How are intangible assets valued ? 1.5
- (i) What is annual report ? 1.5
- (j) What is the triple bottom line reporting ? 1.5

Part B

2. (a) On April 1, 2020, TULSIAN Ltd. (Unlisted Co. other than NBFC and HFC) acquired Building at ₹ 12,00,000, Plant and Machinery at ₹ 2,00,000, Inventories at ₹ 4,00,000, Trade Receivables at ₹ 3,60,000 and Trade Payables at ₹ 1,60,000 from Y Ltd. for ₹ 20,80,000 payable as to 25% by a cheque and 50% of the balance by an issue of Shares of ₹ 500 each at a premium of ₹ 20 per Share and the remaining by an issue of 12% Debentures of ₹ 500 each at a premium of 4% redeemable at a premium of ₹ 60 per Debenture in two equal annual instalments starting from the end of third year. The directors decided to transfer the minimum required amount to Debenture Redemption

Reserve and to invest the minimum required amount in 10% bank fixed deposit as per the provisions of The Companies Act, 2013. Tax was deducted at source by bank on interest @ 10% p.a. Interest is payable on 31st March and is subject to the rate of Tax deducted at source being 10%. On 31st March, 2023 the company obtained a loan of ₹ 8,00,000 from State Bank of India @ 10% interest and issued ₹ 10,00,000, 10% Debentures of ₹ 100 each, in favour of State Bank of India as collateral security and decided to record the issue of such Debentures by passing a journal entry. Pass the necessary journal entries upto 31.03.2023 ignoring the entries for writing off of Loss on issue of Debentures. 10

- (b) Discuss the purpose and structure of a cash flow statement, highlighting its key sections and how each section contributes to understanding a company's cash flow. 5

3. (a) How to calculate basic earning per share as per AS 20 ? Provide a hypothetical example to illustrate the calculation. 5

(b) Describe the process of preparing a balance sheet, including the classification of assets, liabilities, and equity. Discuss the importance of balance sheet presentation in providing insights into a company's financial health.

10

4. Tushar Ltd. issued a prospectus inviting applications for 20,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows : on Application ₹ 2, on Allotment ₹ 5 (including premium), on First Call ₹ 3, on Second and Final Call ₹ 2. Applications were received for 30,000 shares and pro rata allotment was made on the applications for 24,000 shares. It was decided to utilise excess Application Money towards the amount due on allotment. Ramesh who applied for 480 shares, failed to pay the allotment money and on his subsequent failure to pay the first call, his shares were forfeited. Mohan, the holder of 600 shares, failed to pay the two calls and on his such failure, his shares were forfeited. Of the shares forfeited, 800 shares were sold to Krishan credited as fully paid for ₹ 9 per share, the whole of Ramesh's shares being included. Pass the necessary Journal Entries.

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5. (a) What are the methods of valuation of shares ? 5
(b) What is Value Added Statement ? Explain various objectives and advantages of Value Added Statements. 10
6. (a) What are the ways in which organizations' benefit by use of XBRL reporting ? 10
(b) What is the distinction between amalgamation in nature of merger and purchase ? 5
7. What are the contents of Board of Director's Report ? 15