

**2022/TDC (CBCS)/EVEN/SEM/  
COMDSC-401T/144**

**TDC (CBCS) Even Semester Exam., 2022**

**COMMERCE**

**( 4th Semester )**

**Course No. : COMDSC-401T**

**( Corporate Accounting )**

Full Marks : 70

Pass Marks : 28

*Time : 3 hours*

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

**SECTION—A**

**Answer any ten of the following questions :  $2 \times 10 = 20$**

- 1. What is meant by equity share?**
- 2. What is meant by preference share?**
- 3. What is meant by debenture?**
- 4. What is meant by dividend?**
- 5. How is provision for taxation treated in accounts?**

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6. What is meant by bad debt?
7. What is goodwill?
8. Name two methods of valuation of goodwill.
9. Name two methods of valuation of shares.
10. Define 'holding company'.
11. What is meant by 'subsidiary company'?
12. Mention two benefits of consolidation of financial statements.
13. What is meant by amalgamation of companies?
14. Name two types of amalgamation.
15. Which accounting standard deals with amalgamation?

## SECTION—B

Answer any *five* of the following questions :  $10 \times 5 = 50$

16. Bharat Electronics Ltd. issued 100000 equity shares of ₹ 10 each to the public at par. The details of the amount payable on the shares are as follows :

Date	Call	₹ per share
1st April, 2021	Application	2.00
1st June, 2021	Allotment	3.00
1st July, 2021	Final call	5.00

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( Continued )

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Application monies were received on 120000 shares. Excess application monies were refunded immediately. All other amounts were received. Pass Journal entries to record the above transactions.

17. Describe the procedure of issuing shares in a public limited company.
18. The following balances of accounts are extracted from the books of X Co. Ltd. for the year ending 31st March, 2022 :

Debit Balances	₹	Credit Balances	₹
Rent and Taxes	12,000	Share Capital :	
Sundry Debtors	2,40,000	60000 Equity Shares	
Interest on		of ₹ 10 each	6,00,000
Bank Loan	4,000	Sundry Creditors	1,20,000
Advertising	24,000	Discount Received	2,800
Bad Debts	2,000	Bank Loan	
Cash at Bank	21,000	(Interest @ 12% p.a.)	40,000
Cash in Hand	5,400	Gross Profit	2,24,700
Discount Allowed	4,050		
Audit Fees	5,400		
Furniture	45,000		
Travelling Expenses	4,600		
Salaries	1,37,550		
Building	2,90,000		
plant and			
Machinery	1,50,000		
Closing Stock	42,500		
	<u>9,87,500</u>		<u>9,87,500</u>

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( Turn Over )

( 4 )

**Additional Information :**

- (i) Depreciation is to be provided as follows :

Furniture @ 10%

Plant and Machinery @ 20%

Building @ 10%

- (ii) Salaries outstanding on 31st March, 2022, ₹ 12,000

- (iii) Provide 2% for discount on Debtors and create a provision for doubtful debts at 5% on Debtors

Prepare Profit and Loss Account of X Co. Ltd. for the year ended on 31st March, 2022.

19. Give a specimen of the vertical form of the Company Balance Sheet.

20. X Ltd. proposed to purchase the business carried on by Mr. A. Goodwill for this purpose is agreed to be valued at 3 years' purchase of the weighted average profits of the past 4 years. The appropriate weights to be used are as follows :

2018—1; 2019—2; 2020—3; 2021—4

Profits for these years are as follows :

2018—₹ 20,000;                      2019—₹ 24,000;

2020—₹ 25,000 and 2021—₹ 30,000

You are required to compute the value of goodwill of the firm.

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21. Describe the need for valuation of shares.

22. Describe the basic rules for calculating  
(a) Minority Interest and (b) Goodwill/Capital Reserve on consolidation of financial statements.

23. The following are the Balance Sheets of X Ltd. and Y Ltd. as at 31st December, 2021 :

**Balance Sheets**

Liabilities	X Ltd. ₹	Y Ltd. ₹	Assets	X Ltd. ₹	Y Ltd. ₹
Equity Shares of ₹ 10 each	4,00,000	1,00,000	Equipments	2,50,000	95,000
Profit & Loss A/c	50,000	20,000	Investments : 9000 Equity Shares in Y Ltd. on 01.01.2021	1,40,000	—
External Liabilities	7,50,000	4,80,000	Current Assets	8,10,000	5,05,000
	<u>12,00,000</u>	<u>6,00,000</u>		<u>12,00,000</u>	<u>6,00,000</u>

On 1st January, 2021, Profit & Loss A/c of Y Ltd. showed a credit balance of ₹ 8,000 and equipment of Y Ltd. was revalued by X Ltd. at 20% above the book value of ₹ 1,00,000 (but no such adjustment was affected in the books of Y Ltd.).

Prepare a Consolidated Balance Sheet as at 31st December, 2021.

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24. The Balance Sheets of X Co. Ltd. and Y Co. Ltd. as at 31st December, 2021 are as follows :

*Balance Sheets*

Liabilities	X Co. Ltd.	Y Co. Ltd.	Assets	X Co. Ltd.	Y Co. Ltd.
	₹	₹		₹	₹
Share Capital	3,00,000	1,50,000	Goodwill	30,000	20,000
General Reserve	50,000	30,000	Land and		
Profit &			Building	1,40,000	75,000
Loss A/c	50,000	20,000	Plant and		
Sundry			Machinery	1,10,000	50,000
Creditors	40,000	15,000	Stock	60,000	35,000
			Sundry		
			Debtors	60,000	20,000
			Bank	40,000	15,000
	<u>4,40,000</u>	<u>2,15,000</u>		<u>4,40,000</u>	<u>2,15,000</u>

The two companies decided to amalgamate into a new company Z Co. Ltd. which will take over the assets and liabilities of these companies at the following terms :

X Co. Ltd. : Holders of each share of ₹ 30 each in the company would receive 6 equity shares of ₹ 5 each fully paid and ₹ 5 in cash.

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Y Co. Ltd. : Holders of each share of ₹ 15 each in the company would receive one 12% preference share of ₹ 10 each fully paid up and ₹ 10 in cash.

You are required to calculate the purchase consideration of each company separately.

25. Describe the advantages and disadvantages of amalgamation of companies.

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