

6877 – C21 – C – M – 22



THIRD SEMESTER B.COM. (CBCS) DEGREE
EXAMINATION, MARCH/APRIL 2022
COMPANY ACCOUNTS – I

Time : 3 Hours]

[Max. Marks : 80

- Instructions :** 1) Answer **all** the Sections according to **internal choice**.
- 2) **Use** of simple and non-programmable calculator is **allowed**.

SECTION – A

1. Answer **any ten** of the following :

(10×2=20)

- a) Define company.
- b) What is perpetual succession ?
- c) Mention different types of capital.
- d) What is premium issue of shares ?
- e) Give the meaning of underwriting.
- f) Mention the sources for issue of Bonus shares.
- g) What do you mean by right issue ?
- h) What is cum-interest and ex-interest debenture ?
- i) What is debenture ?
- j) What is effective capital ?

[P.T.O.]



k) Mention the base for apportion for the following expenses :

- 1) Rent
- 2) Directors fees
- 3) Preliminary expenses
- 4) Promotion (sales) expenses.

l) What is Internal Reconstruction ?

SECTION – B

Answer **any three** of the following. **Each** question carries **5** marks : **(3×5=15)**

2. What is the permissible managerial remuneration payable under the Companies Act 2013 ?

3. Shri Sai Ltd. has the following items in its Balance Sheet :

- a) Share capital Rs. 10,00,000. (25,000 equity shares of Rs. 50 each, Rs. 40 paid up)
- b) General Reserve Rs. 2,50,000
- c) Share premium Rs. 1,25,000
- d) Capital reserve Rs. 1,75,000

The company decided to :

- i) Capitalise its general reserve to convert the existing partly paid shares into fully paid shares.
- ii) Issue bonus shares of Rs. 10 each as fully paid at premium of 20%, utilising share premium and capital reserve fully.

Pass the journal entries to give effect to the above in the books of the company.

4. M. Ltd. had 1,000 12% debentures of Rs. 100 each outstanding on 1-1-2021. The company purchased for cancellation 300 debentures on 1-4-2021 at Rs. 95 ex-interest and 200 debentures at Rs. 96 cum-interest on 1-7-2021.

Assuming that interest is due on 31st December every year.

Pass journal entries relating to redemption of Debenture.

5. Following information furnished by Hubli Trading company. Prepare statement of Profit and loss for year ending.

	Rs.
1) Revenue from operation	4,00,000
2) Other Income	20,000
3) Total expenses	2,00,000
4) Exceptional items (Profit)	10,000
5) Extraordinary item (Profit)	5,000
6) Tax Expenses	20,000
7) Profit from discounting operations	8,000

6. Amogh company Ltd. decided to go in for internal reconstruction which was approved by the court. The scheme of reconstruction is as follows :

- a) 20,000 preference shares of Rs. 100 each fully paid be reduced by Rs. 20 per share.
- b) 1,00,000 equity shares of Rs. 10 each fully paid be reduced by Rs. 7 per share.
- c) The reduction amount of share capital is utilised to write off the accumulated loss balance of Rs. 3,60,000; preliminary expenses of Rs. 1,00,000 and the balance is used to write off the patents.

Pass the journal entries to give effect to the above scheme.



SECTION – C

Question No. 11 is compulsory (case study). Answer any two of the remaining question. Each question carries 15 marks : (3x15=45)

- 7. Define company. Explain various types of companies.
- 8. Haveri Ltd. issued 10,000 equity shares Rs. 100 each payable as to :
 - Rs. 20 on Application
 - Rs. 50 on Allotment (including premium)
 - Rs. 30 on First call
 - Rs. 20 on Final Call

All the moneys payable on allotment were duly received but on the first call being made one shareholder holding 2,000 shares paid the entire balance on his shares and two shareholders holding a total of 1,000 shares failed to pay the first call money on their holdings.

Pass the journal entries and prepare the necessary ledger accounts.

- 9. Akshay company Ltd. was incorporated on 1-8-2020 to take over the running business of Rahul as going concern from 1-4-2020. The information of the company for the year ending 31-3-2021 was as follows :

Particulars	Rs.
Gross Profit	<u>1,00,000</u>
Expenses :	
Salaries and allowances	30,000
Rent and Rates	11,500
Directors fees	1,500
Selling expenses	2,000



Discount on sales	500
Audit fees	2,250
Formation expenses	900
Miscellaneous expenses	750
Debenture interest	700
Interest to vendors (up to 30-9-2020)	3,000
Depreciation	1,200
Total	<u>54,300</u>
Net profit for the year (G.P.-Exps.)	45,700

Following further information is available :

- a) Rent was paid at Rs. 500 per month upto 1-8-2020 and thereafter it was increased to Rs. 1,000 per month.
- b) The average monthly sales for first four months was Rs. 30,000 and average monthly sales for subsequent period was Rs. 35,000.

Prepare statement showing profit prior to incorporation of the company.

10. Anusha Co. Ltd. issued 2,00,000, shares of Rs. 100 each. They were underwritten as follows :

Mr. A – 1,20,000 shares, Mr. B – 50,000 shares, Mr. C – 30,000 shares.

The underwriters made applications for 'firm' underwriting as follows : Mr. A 16,000, Mr. B 20,000 and Mr. C 6,000 shares.

The total applications excluding firm underwriting but including marked applications were for 1,00,000 shares.



The marked applications were :

Mr. A 20,000 shares, Mr. B 25,000 shares, Mr. C 10,000 shares.

Determine the liability of underwriters assuming that the benefit of firm underwriting is given to the underwriters and unmarked applications are distributed in gross liability ratio.

Case study question

11. The following is the Balance Sheet of X Co. Ltd. as on 31-3-2021 :

Particulars	Note	Amount Rs.
I. Equity and liabilities		
Shareholder funds :		
Share capital	1	10,00,000
Reserve and surplus	2	(-) 2,00,000
Current liabilities (creditor)	—	7,00,000
		<u>15,00,000</u>
II. Assets		
Non-current assets :		
Tangible fixed assets (building)	—	10,00,000
Intangible fixed asset (goodwill)	—	2,00,000
Current assets :		
Inventories (stock)	—	2,00,000
Cash and cash equivalent	—	1,00,000
		<u>15,00,000</u>



	Rs.
Note : 1 Share capital	
10,000 equity share of Rs. 100 each	10,00,000
2 Reserve and surplus	
P and L A/c (Dr. Bal)	2,00,000

Draft a suitable scheme for reduction of capital which would help the company to reorganise on the following lines :

- a) To write off the loss balance and goodwill completely
- b) To depreciate building by 10%.

Also give journal entries required to implement the scheme and draft the new Balance Sheet.
