647510 **BBAcaMN207x-3C** **Seat No :________**

B.B.A. Semester - 3 (NEP-2020) Examination
OCT/NOV-2025
Corporate Accounting (Major-7)

Time: 2:00 Hours **Marks:50**

Instructions:
1. All questions are compulsory.
2. Figures to the right indicate marks.

Que.1 What is Equity Share? Explain the Ways for Raising Capital by Companies with Reference to Private Placement, Public issue, Right issue. (10)

OR

Que.1 Guddi Ltd. wants to issue equity shares of Rs. 10 each fully paid, which should generate cash inflow of exactly Rs. 1,14,000. What entries in the books of Guddi Ltd. be made in case such issue is: (a) at par, (b) at discount of 5% and (c) at premium of 25%?

Que.2 Give journal entries for the forfeiture and re-issue of shares: (10)

(a) B Ltd. forfeited 15 shares of Rs. 10 each fully called up held by Karim for non-payment of allotment money of Rs. 3 per share and final call of Rs. 4 per share. He had paid the application money of Rs. 3 per share. These shares were re-issued to Salim for Rs. 8 per share.

(b) B Ltd. forfeited 40 shares of Rs. 10 each Rs. 7 called up, on which Mahesh had paid application and allotment money of Rs. 5 per share. Of these 30 shares were re-issued to Naresh as fully paid up for Rs. 6 per share.

(c) B Ltd. forfeited 100 shares of Rs. 10 each (Rs. 6 called up) issued at a discount of 10% to Neeta on which she had paid Rs. 2 per share. Out of these, 80 shares were re-issued to Meeta as Rs. 8 called up for Rs. 6 per share.

OR

Que.2 Shah Ltd. invited applications for 1,00,000 shares of Rs. 100 each payable as follows:

On application Rs. 25, on allotment Rs. 40, on first and final call Rs. 35.

The applications received were for 90,000 shares and all of these were accepted. All moneys due were received except the first and final call on 1000 shares which were forfeited. 500 shares were re-issued @ Rs. 90 as fully paid. Pass entries in the cash book and Journal of the company.

Que.3 The following balances were extracted from the books of Nayana Ltd.: (10)

		Rs.
(1)	16% redeemable cumulative preference shares: 1,000 shares of Rs. 100 each fully called up Less: calls unpaid at Rs. 25 per share Amount paid up	 1,00,000 <u>500</u> 99,500
(2)	Security premium account	14,000
(3)	General reserve	34,000
(4)	Cash at bank	60,000
(5)	Proposed dividend on cumulative preference shares	15,680

The directors redeemed the preference shares at a premium of 10% and for that purpose made a fresh issue of equity shares for such amount as was necessary for the purpose after utilizing the available sources to the maximum extent and satisfied the amount of preference dividend.

You are required to show the journal entries including those relating to cash for recording the above transactions. Ignore taxation.

OR

Que.3 The following balances were extracted from the books of BRS Ltd.:

		Rs.
(1)	8% redeemable cumulative preference shares:	
	1,000 shares of Rs. 100 each fully called up	1,00,000
	Less: calls unpaid at Rs. 25 per share	<u>500</u>
	Amount paid up	99,500
(2)	Security premium account	14,000

(3)	General reserve	34,000
(4)	Cash at bank	55,000
(5)	Proposed dividend on cumulative preference shares	7,840

The directors redeemed the preference shares at a premium of 10% and for that purpose made a fresh issue of equity shares for such amount as was necessary for the purpose after utilizing the available sources to the maximum extent and satisfied the amount of preference dividend.
You are required to show the journal entries including those relating to cash for recording the above transactions. Ignore taxation.

Que.4 Explain the Concept of Cash Flow Statement. Explain Various Cash Inflow and Outflow in Detail. (10)

OR

Que.4 The Balance Sheets of Jay Ltd. as on Dec. 31, 2019 and 2020 are as under:

Capital	**2019 (Rs.)**	**2020 (Rs.)**	**Assets**	**2019 (Rs.)**	**2020 (Rs.)**
Equity Share Capital	2,00,000	2,50,000	Fixed Assets	3,50,000	4,75,000
Retained Earnings	1,60,000	3,00,000	Merchandise Inventory	1,00,000	95,000
Premium on Shares	-	5,000	Accounts Receivables	43,000	50,000
Accumulated Depreciation	80,000	60,000	Prepaid Expenses	4,000	5,000
Debentures	60,000	-	Cash	15,800	10,200
Accounts Payables	37,800	40,200	Commission on Shares	25,000	20,000
	5,37,800	**6,55,200**		**5,37,800**	**6,55,200**

Additional Information:

1) An addition to the fixed assets was made during the year at a cost of Rs. 1,65,000 and fully depreciated machinery costing Rs. 400 was discarded, no salvage value being realized.
2) Depreciation for the year was Rs. 20,000.
3) Income Tax paid was Rs. 40,000.
4) Interim Dividend paid during the year Rs. 20,000.

You are required to prepare a Cash Flow Statement.

Que.5 Bhakti Co. Ltd. was registered with an authorized capital of Rs. 10,00,000. Out of which Rs. 4,00,000 divided into 40,000 shares of Rs. 10 each had been issued and fully paid. (10)

The following is the Trial Balance extracted on 31st March, 2022:

	Debit (Rs.)	Credit (Rs.)
Stock (1st April, 2021)	1,50,000	–
Purchases and Sales	7,00,000	12,00,000
Returns	12,000	10,000
Manufacturing wages	1,09,740	–
Sundry manufacturing wages	19,240	–
Carriage inwards	4,910	–
18% bank loan(secured)	–	50,000
Interest on bank loan	4,500	–
Office salaries and expenses	17,870	–
Auditor's fees	8,600	–
Director's remuneration	26,250	–
Preliminary expenses	6,000	–
Freehold premises	1,64,210	–
Plant and machinery	1,28,400	–
Furniture	5,000	–
Loose tools	12,500	–
Debtors and creditors	1,05,400	62,220
Cash in hand	1,05,090	–
Cash at bank	96,860	–
Advance payment of tax	84,290	–
P&L A/c on 1st April, 2021	–	38,640
Share capital	–	4,00,000
	17,60,860	17,60,860

You are required to prepare Trading A/c, Profit and Loss A/c and Profit and Loss Appropriation A/c for the year ended 31st March, 2022 and Balance Sheet as on that date after taking into consideration the following adjustments:

(i) On 31st March, 2022 outstanding manufacturing wages and outstanding office salaries stood at Rs. 1,890 and Rs. 1,200 respectively. On the same date stock was valued at Rs. 1,24,840 and loose tools at Rs. 10,000.
(ii) Provide for interest on bank loan for 6 months.
(iii) Depreciation on plant and machinery is to be provided @ 15% while on office furniture it is to be @ 10%.
(iv) Write off one-third of balance of preliminary expenses.
(v) Make a provision for income tax @ 50%.
(vi) The directors recommended a maiden (first) dividend @ 15% for the year ending 31st March, 2022 after a transfer of 5% of net profits to general reserve.

OR

Que.5 The following is the trial balance of Raj Ltd. as at 31st March, 1990.

Particulars	Debit (Rs.)	Credit (Rs.)
Stock 1st April, 1989.	75,000	-
Purchases Returns	-	10,000
Purchases and Sales	2,45,000	3,40,000
Wages	30,000	-
Discount	-	3,000
Carriage Inward	950	-
Furniture and Fittings	17,000	-
Salaries	7,500	-
Rent	4,000	-
Sundry Expenses	7,050	-
Profit and Loss Appropriation Account, 31st March, 1989	-	15,000
Dividend paid for 1988-89	9,000	-
Share Capital	-	1,00,000
Debtors and Creditors	27,500	17,500
Plant and Machinery	29,000	-
Cash at Bank	46,200	-
General Reserve	-	15,500
Patents and Trade Marks	4,800	-
Bills Receivable and Bills Payable	5,000	7,000
	5,08,000	5,08,000

Prepare Trading Account, Profit and Loss Account, and Profit and Loss Appropriation Account for the year ended 31st March, 1990 and Balance Sheet on that date. Take into consideration the following adjustments:

1. Stock on 31st March, 1990 was valued at Rs. 88,000.
2. Make a provision for income tax @ 50%.
3. Depreciate Plant and Machinery @ 15%. Furniture and Fittings @ 10% and Patents and Trade Marks @ 5%.
4. On 31st March, 1990 outstanding rent amounted to Rs. 800 while outstanding salaries totalled Rs. 900.
5. The Directors propose a dividend @ 15% per annum for the year ended 31st March, 1990 after the minimum transfer to General Reserve as required by law.
6. Make a provision for doubtful debts amounting to Rs. 510.
7. Provide for managerial remuneration at 10% of net profits before tax.

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