

The Assam Royal Global University, Guwahati

Royal School of Business

BBA 3rd Semester

Semester End Examination, December 2018

Course Title: Corporate Accounting

Course Code: BSA032C301

Time: 3 Hours

Maximum Marks: 70

Note: Attempt all questions as per instructions given.

The figures in the right-hand margin indicate marks.

Section – A

- Q.1. Attempt all questions. (Maximum word limit 50)
- a. State the requirement of Companies Act with regards to compliance of Accounting Standard. 2
 - b. What are the various sources of GAAP? 2
 - c. What are various sub-divisions of share capital? 2
 - d. What are the reserves that can be used for issue of fully paid Bonus share? 2
 - e. State the treatment of Corporate Dividend Tax in company Final Accounts. 2
 - f. What is meant by Interim Dividend? 2
 - g. What is meant by Amalgamation of companies? 2
 - h. What are the objectives of amalgamation? 2

Section – B

- Q.2. Answer any two of the following:
- a. Explain the Accounting Standard setting procedure in India. 6
 - b. Write a note on IFRS convergence with Indian Accounting Standards. 6
 - c. Explain the importance & need of Accounting Standards. 6
- Q.3. Answer any two of the following:
- a. Pass necessary journal entries for the following. 7
 - (i) Issued 1, 000, 11% Debenture of 100 each at a discount of 10% repayable at its face value.
 - (ii) Issued 50,000. 9% debentures of 100 each at a discount of 5% repayable at a premium of 10%.
 - (iii) Issued 10,000 of 100 each at par repayable at 5% premium
 - b. What is Right issue? What are its advantages? 2+5=7
 - c. The Balance sheet of Proctor Ltd as on 31st March,2018 is as follows

Particulars	Amounts (Rs)
I. Equity & Liabilities	
1) Shareholder's Fund	
(a) Share Capital:	
20,000 Equity Shares of Rs 10 each fully paid	2,00,000
10,000 Equity Shares of Rs. 10 each, Rs 8 per share called up	80,000
(b) Reserve & Surplus	
General Reserve	1,20,000
2) Current Liabilities	
Trade Payables	40,000
Total	4,40,000
II. Assets	
Sundry Assets	4,00,000
Cash & Cash Equivalent	40,000
Total	4,40,000

It was decided to capitalize the reserve in the following manner

- (i) Issue of one equity share of Rs. 10 against four existing fully paid equity shares.
- (ii) Convert the partly paid up shares into fully paid up shares.

Pass necessary journal entries and prepare the revised balance sheet. 7

Q.4. Answer any one of the following:

- a. State the statutory provisions of the Companies Act, 2013 with respect to the following:
 - (i) Keeping of Books of Accounts 7
 - (ii) Preparation and Presentation of final accounts. 7

- b. The following is the Trial Balance of Assam Traders Ltd. as on 31st March, 2018. Prepare Statement of Profit & Loss for the year ended 31st March, 2018 and a Balance Sheet as on that date. 14

Trail Balance As at 31.3.2018

Particulars	Debit (Rs)	Credit (Rs)
Opening Inventory	75,000	
Purchase Return		10,000
Purchase and Sale	245,000	340,000
Wages	10,000	
Carriage Inward	20,950	
Income from Investment		3,000

Investment	17,000	
Advertisement	7,500	
Prepaid Tax	3,050	
Audit fee	4,000	
MD's Commission	4,000	
Surplus in Profit and Loss statement (1.4.2017)		15,000
Dividend Paid	9,000	
Share Capital		100,000
Debtors & Creditors	27,500	17,500
Machinery	29,000	
Cash with ICICI	46,200	
General Reserve		8,000
Employees Provident Fund		7,500
Patents & Trade Marks	4,800	
Bills Receivable & Bills Payable	5,000	7,000
	508,000	508,000

Adjustments:

- Closing inventory on 31.3.2018 was valued at Rs. 1,20,000
- Depreciate fixed assets by 10%
- Make provision for Income tax Rs. 12,000
- Dividend @ 10% is to be provided for the current year.

Q.5. Answer any two of the following:

- Explain the different methods of calculation of purchase consideration in amalgamation of companies. 7
- Explain amalgamation in the nature of merger. 7
- What are the accounting entries passed that are required to be passed in the books of a transferor company during amalgamation of companies? 7