

2022

CORPORATE ACCOUNTING — GENERAL

Paper : DSE-5.2A

Full Marks : 80

*Candidates are required to give their answers in their own words
as far as practicable.*

প্রাপ্তলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ - ক

- ১। P. Ltd. জনগণ কর্তৃক গ্রহণের জন্য 10 টাকা দামের 30,000 ইকুইটি শেয়ার 2 টাকা অধিহারে বিলি করেছে যা নিম্নরূপভাবে প্রদেয় :

Application শেয়ার প্রতি 2 টাকা; Allotment শেয়ার প্রতি 7 টাকা (শেয়ার প্রতি 2 টাকা অধিহার সমেত); Call শেয়ার প্রতি 3 টাকা।

45,000 শেয়ারের আবেদন গ্রহণ করা হয়েছে। 36,000 শেয়ার বণ্টন করা হয়েছে Pro-rata পদ্ধতিতে এবং বাকি আবেদনপত্র প্রত্যাখ্যান করা হয়েছে। তমাল যাকে 1,200 শেয়ার বণ্টন করা হয়েছে তিনি allotment এবং call-এর টাকা প্রদান করেননি। অন্যদিকে নির্মল যাকে 1,500 শেয়ার বণ্টন করা হয়েছে তিনি call-এর অর্থ প্রদান করেননি। উক্ত শেয়ারগুলি call-এর পর বাজেয়াপ্ত করা হয়েছে। পরবর্তীকালে 2,000 বাজেয়াপ্ত শেয়ার (তমালের 1,200 শেয়ারসহ) শেয়ার প্রতি 8 টাকা দরে পারক্লকে পুনর্বণ্টন করা হয়েছে।

জাবেদায় শেয়ার বাজেয়াপ্ত ও পুনর্বণ্টন সংক্রান্ত দাখিলাগুলি ব্যাখ্যাসহ লিপিবদ্ধ করো।

১০

- ২। B. Ltd. প্রতি share 100 টাকা দরে 1,25,000 equity share public issue করল, 50 টাকা application-এর সময় প্রদেয়। সম্পূর্ণ issue-টি চারজন underwriter- Bapi, Bankim, Bikram এবং Barun- 30%, 25%, 25% এবং 20% proportion-এ underwrite করেছিল। শর্ত অনুযায়ী underwritten amount-এর উপর 2% commission প্রদেয় হয়েছিল। Bapi, Bankim এবং Barun যথাক্রমে 4,000, 6,000 এবং 15,000 share-এর জন্য firm underwriting-এ রাজী হয়েছিল। Firm underwriting বাদ দিয়ে কিন্তু marked applications ধরে সব মিলিয়ে 90,000 share-এর জন্য subscription জমা পড়েছিল। জমা পড়া marked applications-গুলি নিম্নরূপ ছিল :

Bapi – 24,000 shares, Bankim – 20,000 shares, Bikram – 12,000 shares, Barun – 24,000 shares।

প্রতিটি underwriter- এর দায় নিরূপণ করো (ধরে নাও firm underwriting-এর ছাড় তাদেরকে দেওয়া হয়েছে) এবং কোম্পানির বইতে প্রয়োজনীয় জাবেদাগুলি লিপিবদ্ধ করো।

৮+২

অথবা,

- 31.03.2021 তারিখে সমাপ্ত বছরে Z. Ltd.-এর সারসংক্ষিপ্ত উদ্বর্তপত্র নিম্নরূপ :

Issued and paid-up capital : ₹.

40,000 Equity Shares of ₹ 10 each fully paid up 4,00,000

Please Turn Over

অতিরিক্ত তথ্যসমূহ :

- (ক) কোম্পানির অনুমোদিত মূলধনের পরিমাণ 10,00,000 টাকা।
(খ) 31.03.2020 তারিখে অস্তিম মজুতপণ্যের পরিমাণ 1,80,000 টাকা।
(গ) যন্ত্রপাতির উপর 10% হারে, আসবাবপত্রের উপর 15% হারে এবং পেটেন্ট ও ব্যবসায়িক মার্কেটের উপর 5% হারে অবচয় ধার্য করবে।
(ঘ) আয়করের জন্য 40% হারে সঞ্চিতি করতে হবে।
(ঙ) নিট মুনাফার 10% Reserve-এ স্থানান্তর করতে হবে।

উপরিউক্ত তথ্যসমূহ থেকে 31.03.2020 তারিখে সমাপ্ত বছরের লাভ-ক্ষতির বিবরণী এবং উক্ত তারিখে একটি উদ্বর্তপত্র তৈরি করবে। লভ্যাংশ বণ্টনের উপর কর ধার্য করার প্রয়োজন নেই।

১৫

[English Version]

The figures in the margin indicate full marks.

Group - A

1. P. Ltd. issued for public subscription 30,000 Equity Shares of ₹ 10 each at a premium of ₹ 2 per share payable as — On application ₹ 2 per share; On allotment ₹ 7 per share (including ₹ 2 premium); On call ₹ 3 per share.

Applications were received for 45,000 shares. Allotment was made pro-rata to the applicants of 36,000 shares, the remaining applications being refused. Tamal to whom 1,200 shares were allotted failed to pay the allotment and call, while Nirmal to whom 1,500 shares were allotted failed to pay the call. Their shares were forfeited after the call. Subsequently, 2,000 of these forfeited shares (including 1,200 shares of Tamal) were re-issued to Parul as fully paid at ₹ 8 per share.

Pass necessary journal entries with necessary narrations relating to forfeiture and re-issue of shares.

10

2. B. Ltd. made a public issue of 1,25,000 equity shares of ₹ 100 each, ₹ 50 payable on application. The entire issue was underwritten by four underwriters Bapi, Bankim, Bikram and Barun in the proportion of 30%, 25%, 25% and 20% respectively. Under the terms agreed upon, a commission of 2% was payable on the amounts underwritten. Bapi, Bankim and Barun have also agreed on firm underwriting of 4,000, 6,000 and 15,000 shares respectively. The total subscription, excluding firm underwriting, including marked applications were for 90,000 shares. Marked applications received were as under :

Bapi – 24,000 shares, Bankim – 20,000 shares, Bikram – 12,000 shares, Barun – 24,000 shares

Ascertain the liability of the individual underwriters (assuming that the relief for firm underwriting is given to them) and also show the journal entries that you would make in the books of the company.

8+2

Or,

The following is the abstract of Balance Sheet of Z. Ltd as on 31.03.2021 :

Issued and paid-up capital :	₹.
40,000 Equity Shares of ₹ 10 each fully paid up	4,00,000
Reserves and Surplus :	
Capital Redemption Reserve	50,000

Securities Premium	60,000
General Reserve	2,00,000
Profit and Loss Balance (cr.)	60,000

At the annual general meeting of the company the following resolutions were passed :

- to issue two bonus shares for every five equity shares held as on date; and
- to give existing shareholders the option to purchase three Right Shares of ₹ 10 at ₹ 14 for every five equity shares held before the issue of bonus shares. All the shareholders took up the option of Right Shares. The right shares and bonus shares were duly allotted.

Show appropriate journal entries to record the above transactions in the books of Z. Ltd. and the resultant Balance Sheet after bonus and right issue. Narrations not required. 10

3. Balance Sheet extracts of C Ltd. as on 31st March, 2022 are as follows :

Issued Share Capital

12,000, 8% redeemable preference shares of ₹ 100 each fully paid	₹ 12,00,000
40,000 equity shares of ₹ 100 each, ₹ 80 paid-up	₹ 32,00,000

Reserves and Surplus

General Reserve	₹ 18,00,000
Capital Reserve	₹ 1,70,000

On 1st April, 2022, the company in its general meeting resolved that :

The preference shares are to be redeemed at a premium of ₹ 10 per share. The redemption was effected partly out of profits and partly out of the proceeds of new issue of 6,000, 7½% cumulative preference shares of ₹ 100 each at a premium of ₹ 25 per share. The premium payable on redemption was met out of the premium received on the new issue and all the capital reserves be applied in the following manner :

- The declaration of bonus at the rate of ₹ 20 per share on equity shares for the purpose of making the said equity shares fully paid; and
- The issue of bonus shares to the equity shareholders in the ratio of one share for every four shares held by them.

You are required to pass necessary journal entries in the books of the company. 10

Or,

The Balance Sheet of TD Ltd. as at 31.03.2020 stood as follows :

Particulars	Notes No.	Amount (₹)
I. Equity and Liabilities		
1. Shareholder's Fund :		
(a) Share Capital : Equity Shares of ₹ 10 each	1	50,00,000
(b) Reserves and Surplus	2	15,65,000
2. Non-Current Liabilities		37,50,000
3. Current Liabilities		9,42,000
TOTAL		1,12,57,000

Please Turn Over

II. Assets		
1. Non-Current Assets		
(a) Property, Plant and Equipment and Intangible Assets		
(i) Property, Plant and Equipment		67,00,000
(b) Non-current Investment		—
2. Current Assets		
(a) Current Investment		18,50,000
(b) Trade Receivables		20,00,000
(c) Cash and Cash Equivalent		7,07,000
TOTAL		1,12,57,000

Notes to Accounts :

	(₹)	(₹)
1. Share Capital		
Authorised		—
Issued and Subscribed :		
5,00,000 Equity Shares of ₹ 10 each		50,00,000
2. Reserves and Surplus		
Securities Premium	5,40,000	
General Reserve	6,25,000	
Balance in Statement of Profit and Loss (credit)	4,00,000	
		15,65,000

The following resolutions were adopted on that date :

- to buy-back 20% of the paid-up capital @ ₹ 15 each
- to issue 5,000 9% Preference shares of ₹ 100 each at a premium of 10% to finance part of the buy-back
- to sell investment worth ₹ 8,00,000 for ₹ 6,50,000
- to maintain a balance of ₹ 3,00,000 in General Reserve.

You are required to pass necessary journal entries in the books of TD Ltd. relating to the above. 10

4. The following balances appeared in the books of C. Ltd. on 01.04.2020 :

Sinking Fund Account ₹ 50,000; Sinking Fund Investment Account (10% Government Securities, Nominal value ₹ 45,000) ₹ 48,000; 12% Debenture ₹ 1,00,000.

The Company sold ₹ 30,000 Government Securities at 110% and utilised the amount to redeem part of the Debentures at a premium of 10%.

Show the Debenture Account, Sinking Fund Account, Sinking Fund Investment Account in the books of C. Ltd. 10

5. The following particulars of EXE. Ltd. are given below :

- (a) Equity share capital : 20,000 Equity shares of ₹ 10 each fully paid
- (b) Preference share capital : 2,000, 12% Preference shares of ₹ 100 each fully paid
- (c) Reserves and Surplus : ₹ 1,00,000
- (d) Trade Payables : ₹ 40,000
- (e) Average normal profit after tax earned in each year by the company ₹ 60,000
- (f) Transfer to General Reserve — 10% of Net Profit
- (g) Profit on revaluation of tangible assets — ₹ 40,000
- (h) Fictitious items included in the assets of the company — ₹ 10,000
- (i) Normal rate of return earned in respect of the equity shares of the same type of company is ascertained at 10%
- (j) Ignore Goodwill.

Compute the value of the company's share by

- (i) Asset-backing Method and
- (ii) Earnings Yield Method.

10

Or,

Following information is available from the books of B. Ltd. as on 31.03.2020 :

	₹
Equity Share Capital (₹ 10 each)	4,00,000
10% Preference Share Capital	1,50,000
Reserves and Surplus	1,00,000
10% Debenture	1,20,000
Creditors	80,000

Market value of assets is ₹1,00,000 more than the book value and non-trade investments included in assets ₹ 1,20,000.

Profit for the last three years before tax were – 2018-19 : ₹ 2,64,000; 2017-18 : ₹ 2,80,000; 2016-17 : ₹ 2,20,000. Non-trading income of ₹ 20,000 (before tax) is included in the amount of Profit for 2017-18 only.

Fair rate of return on capital employed in this type of business is estimated at 12%.

Rate of income tax is 40%.

Calculate the value of goodwill on the basis of 3 years' purchase of Super Profit.

10

Please Turn Over

Group - B

6. X Ltd is absorbed by Y. Ltd on 31.03.2020 on which date the Balance Sheet of X. Ltd. was summarized as follows :

Particulars	Notes No.	Amount (₹)
I. Equity and Liabilities		
1. Shareholder's Fund :		
(a) Equity Share Capital (₹ 10 each fully paid)		1,60,000
(b) Reserves and Surplus	1	1,44,000
2. Non-Current Liabilities		
Long-term borrowings : 10% Debenture of ₹ 100 each		1,00,000
3. Current Liabilities		
Trade Payable		36,000
TOTAL		4,40,000
II. Assets		
1. Non-Current Assets		
(a) Property, Plant and Equipment	2	3,12,000
(b) Non-current Investment		—
2. Current Assets		
(a) Inventory		81,000
(b) Trade Receivables		34,200
(c) Cash and Cash Equivalent		12,800
TOTAL		4,40,000

Notes to Balance Sheet (includes) :

Particulars	Amount (₹)
1. Reserves and Surplus :	
General Reserve	64,000
Profit & Loss Balance	80,000
	1,44,000
2. Property, Plant and Equipment :	
Land and Building	2,40,000
Plant and Machinery	72,000
	3,12,000

The consideration payable to X. Ltd :

- (a) A cash payment of ₹ 110 for every Debenture in X. Ltd.
- (b) An exchange of 3 equity shares of ₹ 5 each (quoted in the market at ₹ 6 each) in Y. Ltd. for every share in X. Ltd.
- (c) A further cash payment of ₹ 3 for each equity share in X. Ltd.

You are required to prepare necessary ledger accounts in the books of X. Ltd. to close the books of accounts and journal entries in the books of Y. Ltd. Expenses on liquidation were ₹ 6,000. 15

Or,

The business of J Ltd. was being carried on continuously at losses. The following are the extracts from the balance sheet of the company as on 31st March, 2022 :

30,000 Equity shares @ ₹ 10 each	₹ 3,00,000
2,000, 8% cumulative preference shares of ₹ 100	₹ 2,00,000
Securities Premium	₹ 90,000
Unsecured loan (from director)	₹ 50,000
Sundry Creditors	₹ 3,00,000
Outstanding expenses (including Remuneration ₹ 20,000)	₹ 70,000
Goodwill	₹ 50,000
Plant	₹ 3,00,000
Loose tools	₹ 10,000
Debtors	₹ 2,50,000
Stock	₹ 1,50,000
Cash	₹ 10,000
Bank	₹ 35,000
Preliminary expenses	₹ 5,000
Profit and Loss A/c (Dr. Balance)	₹ 2,00,000

Dividends on cumulative preference shares are in arrears for 3 years. The following scheme of reconstruction has been agreed upon and duly approved by the court :

- (i) Equity shares to be converted into 1,50,000 shares of ₹ 2 each.
- (ii) Equity shareholders to surrender 90% of their holdings.
- (iii) Preference shareholders agree to forego their right to arrears to dividends in consideration of which 8% preference shares are to be converted into 9% preference shares.
- (iv) Sundry creditors agree to reduce their claim by one-fifth in consideration of their getting shares of ₹ 35,000 out of surrendered equity shares.
- (v) Directors agree to forego the amount due on account of unsecured loan and directors' remuneration.

Please Turn Over

- (vi) Surrendered shares, not otherwise utilised, to be cancelled.
- (vii) Assets to be reduced as under :
 Goodwill by ₹ 50,000, Plant by ₹ 40,000, Loose Tools by ₹ 8,000, Sundry Debtors by ₹ 15,000 and Stock by ₹ 20,000
- (viii) Any surplus after meeting the losses should be utilised in writing down the value of the plant further.
- (ix) Expenses of reconstruction amounted to ₹ 10,000.
- (x) Further 50,000 equity shares were issued to the existing members for increasing the working capital. The issue was fully subscribed and paid up.

You are required to pass the journal entries for giving effect to the above arrangements.

15

7. The Trial Balance of P. Ltd. as on 31.03.2020 is as below :

Particulars	Amount (₹)	Amount (₹)
Stock as on 01.04.2019	1,20,000	—
Purchases and Sales	4,80,000	7,20,000
Return Outwards	—	20,000
Salaries and Wages	80,000	—
Rent	10,000	—
Sundry Expenses	14,000	—
Profit & Loss Balance (01.04.2019)	—	20,000
Machinery	1,00,000	—
Furniture	22,000	—
Debtors and Creditors	81,000	31,000
Cash at Bank	70,000	—
Bills Receivable and Bills Payable	10,000	12,000
Patent and Trademark	10,000	—
Advance Payment of Tax	23,000	—
Share Capital (₹ 10)	—	2,20,000
General Reserve	—	17,000
Interim Dividend paid	20,000	—
	10,40,000	10,40,000

Additional information :

- (i) The authorised capital of the company is ₹ 10,00,000
- (ii) Stock as on 31.03.2020 ₹ 1,80,000
- (iii) Depreciate Machinery @ 10%, Furniture @ 15%, Patent and Trademark @ 5%.
- (iv) Make a provision for Income Tax @ 40%
- (v) 10% of net profit is transferred to Reserve.

From the above information, prepare Statement of Profit and Loss for the year ended 31.03.2020 and a Balance Sheet as on that date. Ignore dividend distribution tax.