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Bachelor In Service Industry Management(SIM)/BRDM (2014 & Onwards) (Sem.-2)

BBA (2012 & onward Batches)

CORPORATE ACCOUNTING

Subject Code: BBA-204 Paper ID : [C0243]

Time: 3 Hrs. Max. Marks: 60

INSTRUCTION TO CANDIDATES:

- SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks
- 2. SECTIONS-B consists of FOUR Sub-sections: Units-I, II, III & IV.
- 3. Each Sub-section contains TWO questions each, carrying TEN marks each.
- Student has to attempt any ONE question from each Sub-section.

SECTION - A

1. Write briefly:

- a. What is Book Building Process?
- b. What is corporate dividend tax?
- c. What is profit prior to incorporation?
- d. Distinguish between external and internal reconstruction.
- e. What do you mean by inter company owings?
- f. Distinguish between "Capital Reserve" and "Reserve Capital".
- g. What is intrinsic value of shares?
- h. What is under subscription of shares?
- i. Explain the concept of bonus shares.
- j. What is minority interest?

SECTION - B

UNIT - I

- 2. State the legal requirements and accounting treatment of issuing shares at premium.
- 3. XYZ ltd issued to public 3,00,000 equity shares of Rs. 10 each at a premium of Rs. 1 per share. The amount was payable as to Rs. 2 with application, Rs 4 (incl premium) on allotment and Rs 5 on first call and final call

Applications totalled 6,11,000 shares. The board of directors rejected applications for 11,000 shares and made allotment on all the remaining applications on a pro-rata basis.

P to whom 300 shares had been allotted did not pay the balance of allotment money and subsequently the call money. Q who held 450 shares did not pay the call. Their shares were forfeited three months after making of the call. All the forfeited shares were reissued as fully paid to R at the rate of Rs 11 per share.

You are required to pass journal entries for all the transactions.

UNIT - II

- 4. Prepare the balance sheet of a company with imaginary figures.
- 5. What do you mean by divisible profits? Discuss the provisions regarding divisible profits.

UNIT - III

- 6. What are the different methods of valuation of goodwill? Discuss in detail.
- 7. H ltd acquired 80,000 shares of Rs 10 each in S ltd on 1st October 2014. Liabilities and assets of H ltd and S ltd were:

Liabilities	H ltd	S ltd	Assets	H ltd	S ltd
Share capital Rs 10 fully	20,00,000	10,00,000	Goodwill	1,00,000	
paid			Machinery	5,00,000	4,50,000
Surplus A/c	50,000	45,000	Furniture	20,000	40,000
Reserves	1,00,000	1,50,000	Shares in S ltd	8,80,000	
Bills Payable	20,000	10,000	9% debentures in	80,000	
Creditors	4,00,000	2,00,000	S ltd		
Debentures		2,00,000	Stock	5,20,000	6,50,000
			Debtors	1,80,000	2,70,000
			Bill Receivables	10,000	15,000
			Cash	2,80,000	1,80,000
	25,70,000	16,05,000		25,70,000	16,05,000

Bill receivable of S ltd include bills for Rs. 8,000 accepted by H ltd and creditors of S ltd include Rs. 20,000 due to H ltd. An amount of Rs. 30,000 was transferred by S ltd from the current year's profits to reserves.

You are required to prepare the consolidated balance sheet as on 31st march 2014.

UNIT - IV

- 8. Explain the role and importance of computerised accounting in today's competitive world.
- 9. Explain in brief the financial reporting followed by :
 - a. Mutual Funds
 - b. NBFC's