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Total No. of Pages: 02
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BBA (Sem.2nd)
CORPORATE ACCOUNTING
Subject Code: BBA-204
Paper ID: [C0243]

Time: 3 Hrs.**Max. Marks: 60****INSTRUCTION TO CANDIDATES:**

1. *Section A is compulsory. Give answer to each question up to five lines in length. Each question carries two marks.*
2. *Attempt four questions from Section B attempting at least one question from each unit. Each question carries 10 marks.*

Section - A

Q1. Write short notes on the following:

- a) Purchase Method
- b) Internal Reconstruction
- c) Unrealised profits in stock
- d) Consolidation of accounts
- e) What is a Holding Company?
- f) Use of amount of premium
- g) Over-subscription of shares
- h) What is Accounting Software?
- i) What is a Financial Institution?
- j) What is Absorption?

Section - B**UNIT-I**

- Q2. Explain the Accounting Treatment in case of Issue of Shares.
- Q3. Sunflow Ltd. issued 50,000 equity shares. The whole of the issue was underwritten as follows: Red 40%; White 30%; Blue 30% Applications for 40,000 shares were received in all, out of which applications for 10,000 shares had the stamp of Red; those for 5,000 shares that of White and those for 10,000 shares that of Blue. The remaining applications for 15,000 shares did not bear any stamp. Determine the liability of the underwriters.

UNIT-II

- Q4. What is Dividend? Discuss the major types of Dividends.
- Q5. The following particulars are extracted from the Profit and Loss Accounts of Bharat Ltd. for the year ended 31st March, 2012:
- (i) Remuneration and perquisites paid to:
 - (a) Managing Director Rs. 75,000
 - (b) Whole-time Director Rs.60, 000
 - (ii) Provision for bonus of Rs. 5.5 lakhs and for gratuity Rs.50,000, this includes provision for above Directors- Bonus Rs. 5,000 and gratuity Rs.6, 000.
 - (iii) Provision for doubtful debts made during the year Rs. 30,000.
 - (iv) Surplus on sale of building credited in the Profit and Loss Account Rs. 1,50,000. This includes a short term capital gain of Rs. 1,30,000.
 - (v) Loss on sale of machinery debited in Profit and Loss Account, Rs.7,000 (representing difference between sale price Rs. 1,43,000 and written down value Rs. 1,50,000).
 - (vi) The company has made donations of Rs. 50,000 to charitable institutions and contributed Rs. 4 lakhs to an approved research association for research related to the company's business.
 - (vii) Provision for Income-tax 8 lakhs and for surtax Rs.60,000 made in the accounts.
 - (viii) The net profit as per Profit and Loss Account is Rs. 16 lakhs. The company had suffered losses in the earlier years. The aggregate amount of such brought forward losses (after adjustments required to be made under Section 349) works out to Rs. 2.5 Lakhs. You are required to calculate the net profit for the purpose of computing managerial remuneration.

UNIT-III

- Q6. Discuss the concept of corporate Amalgamations and Absorptions in detail.
- Q7. A earns Rs. 1,20,000 as its annual profits, the rates of normal profit being 10% The assets of the firm amounted to Rs. 14,40,000 and liabilities to Rs. 4,80,000. Find out the value of goodwill.

UNIT-IV

- Q8. Discuss briefly the reporting requirements for various kinds of Financial Institutions in India.
- Q9. What is Computerised Accounting? Discuss its major advantages and disadvantages.

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