

C.U.SHAH UNIVERSITY

Summer Examination-2019

Subject Name: Company Accounts-I**Subject Code: 4CO03COA1****Branch: B.Com. (English)****Semester: 3****Date: 20/03/2019****Time: 02:30 To 05:30****Marks: 70**

Instructions:

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

- Q-1 Attempt the following questions: (14)**
- a) What is redeemable preference share? (1)
 - b) What is capital reduction? (1)
 - c) Give the name of Accounting Standard No. 15. (1)
 - d) Give the meaning of securities premium. (1)
 - e) What is the name of Accounting Standard No.12? (1)
 - f) Explain the meaning of share underwriting agreement. (1)
 - g) What is interim dividend? (1)
 - h) Explain the meaning of Unmarked applications. (1)
 - i) What is minimum subscription? (1)
 - j) Explain the meaning of fund. (1)
 - k) What is dividend? (1)
 - l) Write the full name of –“ CDT ” (1)
 - m) What is Unpaid dividend? (1)
 - n) Give the meaning of marked applications. (1)

Attempt any four questions from Q-2 to Q-8

- Q-2 (14)**

The Following balances are extracted from the Trial Balance of A Ltd. as on 31st March,2018 :

Name of Accounts	Dr. (Rs.)	Cr. (Rs.)
Provision for Income tax (1-4-2017)	-	20,000
Advance payment of Income tax (1-4-2017)	15,000	-
Advance payment of Income tax (Paid during current year)	20,000	-
Income tax deducted at source	1,500	2,500
Profit & Loss A/c (1-4-2017)	-	30,000

Assessment in respect of income-tax of previous year 2016-17 was completed during the current year and income-tax liability of Rs. 22,000 has been determined. Current year's profit of the company was Rs.50,000 and company pays income-tax at the rate of 50%.

From the above informations, prepare necessary ledger accounts and show their effects in the Final Accounts of the company.



Q-3

(14)

The following is the extract of Trail Balance of R Ltd. as on 31-3-2018 :

Particulars	Rs.
Equity Share Capital (2,000 Shares of Rs.100 each)	2,00,000
Redeemable Preference Share Capital (1,000 Shares of Rs.100 each, Rs.75 paid-up)	75,000
General Reserve	60,000
Securities Premium	25,000
Bank Balance	2,00,000

The company decides to redeem the preference shares at 5% premium after complying with legal provisions. The new equity shares for necessary amount are issued at par. Write necessary entries for the issue of new shares and shares redeemed.

Q-4

Attempt all questions

(14)

- (a) Explain the provisions of Companies Act for Redemption of Redeemable Preference Shares. (7)
- (b) Prepare a Balance Sheet of a Company in accordance with Companies Act,2013 with imaginary figures. (7)

Q-5

Attempt all questions

(14)

- (a) On 31-3-2018, the Share Capital of Q Ltd. consisted of 1,00,000 equity shares of Rs.10 each fully paid. Goodwill appearing in the books at Rs. 60,000 proved worthless. There was a debit balance of Profit & Loss Account of Rs.1,00,000 and Plant & Machinery stood at Rs.5,00,000 and it was revalued by directors at Rs. 4,00,000. (7)

As per Section 66 of Companies Act, 2013, by passing a special resolution dated 1-4-2018, the company decided to reduce equity shares by Rs. 3 each, to write off Goodwill and Profit & Loss Account and to bring down Plant & Machinery to its true value.

Assuming that the sanction of Tribunal is duly received, make journal entries.

- (b) Discuss the methods of reduction of share capital. (7)

Q-6

Attempt all questions

(14)

- (a) Describe the reasons for reduction of share capital. (7)
- (b) **O Ltd.** issued 60,000 shares which were underwritten as follows : (7)
A: 30,000 shares, B: 20,000 shares, C: 10,000 shares.

The underwriters made applications for firm underwriting as follows:
A: 5,000 shares, B: 3,000 shares, C: 3,000 shares.

The total subscriptions of 40,000 shares excluding firm underwriting but including marked applications for 30,000 shares. Marked applications received were as under :

A: 12,000 shares, B: 10,000 shares, C: 8,000 shares.

Ascertain the liability of the individual underwriters. It is assumed that the credit of firm underwriting is not given to underwriters.

Q-7

Attempt all questions

(14)

- (a) Explain the types of share underwriting agreements. (7)
- (b) Discuss the advantages of share underwriting. (7)

Q-8

Attempt all questions

(14)

- (a) Explain the Accounting Standard about Accounting for Investments. (7)
- (b) Discuss the Accounting Standard about Accounting for Amalgamation. (7)

