

Bharati Vidyapeeth
(Deemed to be University), Pune
School of Distance Education

Assignment No.	1	Name of the Assignment Setter:		Prof. Deepti Sharma	
Course:	CBCS 2018	Class:	S.Y.B.Com.	Semester:	III

Subject:	<u>C308: Corporate Accounting-I</u>
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Q1. A Ltd. was formed with an authorized capital of Rs. 20,00,000 divided into 20,000 equity shares of Rs.100 each. The company issued for public subscription 12,000 equity shares at a premium of Rs.10 per share payable as follows:

On application- Rs.20

On allotment-Rs.40 (including premium)

On first call- Rs.30

On final call- Rs.20

Applications were received for 15,000 shares. The excess applications for 3,000 shares were rejected and application money was refunded. All the shareholders paid all the amounts due except Mr. Mohamed who failed to pay the first and final call on 100 shares held by him. His shares were forfeited and re-issued to Mr. John at Rs. 80 per share as fully paid.

Pass necessary journal entries in the books of A Ltd. (10)

Q2. Hindustan Ltd. was incorporated on 1st April, 2018 to take over the business of Modern Ltd as a going concern from 1st August, 2018. The Profit and Loss A/c for the year ending 31st March, 2019 was as follows:

A) Income:	Rs.
Gross profit	1,55,000
Total (A)	1,55,000
B) Expenditure:	Rs.
Rent and Taxes	12,000
Insurance	3,000
Salaries	36,000
Electricity charges	2,400

Auditors' fees	3,000
Directors' fees	1,600
Commission	6,000
Advertisement	4,000
Discount	3,500
Office Expenses	7,500
Bad debts	2,000
Interest on loan	3,000
Carriage	3,000
Bank charges	1,500
Preliminary expenses	6,500
Total (B)	95,000
Net profit(A-B)	60,000

The total sales for the year ending 31st March, 2019 was Rs. 5,00,000 divided into Rs. 1,50,000 for the period upto 1st August, 2018 and Rs. 3,50,000 for the remaining period.

Find out the profit prior to and after incorporation. (10)

Q3. Write Short notes on (Any 2): (10)

- a) Redemption of Preference Shares
- b) Profit prior to incorporation
- c) Types of Share Capital
- d) AS-14: Accounting for Amalgamation