

U.G. 5th Semester Examination - 2023**COMMERCE****[HONOURS]****Course Code : BCOM-H-CC-T-11****Course Title : Corporate Accounting****Full Marks : 60****Time : 2½ Hours***The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*

1. Answer any ten questions: 2×10=20

যে-কোনো দশটি প্রশ্নের উত্তর দাও :

- i) According to Schedule III, where should a company disclose the details of contingent liabilities?

Schedule III অনুসারে, একটি কোম্পানীর আনুষঙ্গিক দায়গুলির বিবরণ কোথায় প্রকাশ করা উচিত?

- ii) What is the definition of current liabilities as per Schedule III (Part I) to the Companies Act, 2013?

কোম্পানী আইন 2013 এর Schedule 111 (Part 1) অনুযায়ী বর্তমান দায়গুলির সংজ্ঞা কী?

[Turn over]

iii) What is the purpose of creating a capital redemption reserve when preference shares are redeemed?

যখন অগ্রাধিকার শেয়ার পরিশোধ করা হয় তখন মূলধন রিডেম্পশন রিজার্ভ তৈরি করার উদ্দেশ্য কী?

iv) State two points of difference between intrinsic value and market value in the context of share valuation.

শেয়ার মূল্যায়নের প্রেক্ষাপটে প্রকৃত মূল্য এবং বাজার মূল্যের মধ্যে দুটি পার্থক্য উল্লেখ কর।

v) What distinguishes the accounting treatment of profits and losses in a Limited Liability Partnership (LLP) from that in a traditional partnership?

একটি সাধারণ অংশীদারি আর একটি সীমিত দায় অংশীদারির (LLP) লাভ এবং ক্ষতির হিসাবরক্ষণের মধ্যে কি কি পার্থক্য আছে?

vi) Name six kinds of debentures on the basis of the conditions of their issue.

ইস্যুর শর্তের ভিত্তিতে ছয় ধরনের ডিবেঞ্চারের নাম উল্লেখ কর।

vii) Explain four points of difference between debentures and shares.

ডিবেঞ্চার এবং শেয়ারের মধ্যে চারটি পার্থক্য উল্লেখ কর।

viii) Give the journal entry for the following transaction:

B. Ltd. secured an overdraft of Rs. 80,000 from the bank by issuing 900, 12% Debentures of Rs.100 each as collateral security.

(ইংরাজী প্রশ্ন দেখ)

ix) State four factors that affect the valuation of equity share of a company.

একটি কোম্পানীর ইকুইটি শেয়ারের মূল্যায়নকে প্রভাবিত করে এমন চারটি বিষয় উল্লেখ করো।

x) Write the definition of Subsidiary Company as per Companies Act 2013?

কোম্পানী আইন 2013 অনুযায়ী হোল্ডিং কোম্পানী এবং সাবসিডিয়ারি কোম্পানীর সংজ্ঞা লেখ।

xi) A process of reconstruction, which is carried out without liquidating the company and forming a new one is called _____ (internal reconstruction/external reconstruction/amalgamation).

পুনর্গঠনের একটি প্রক্রিয়া, যা কোম্পানীকে liquidate না করে এবং একটি নতুন কোম্পানী গঠন না করেই করা হয় তাকে _____ (অভ্যন্তরীণ পুনর্গঠন/বাহ্যিক পুনর্গঠন/একত্রীকরণ) বলা হয়।

- xii) Net Assets of the Transferor Company is Rs.20 lakh. If Purchase Consideration is Rs. 23 lakh and amalgamation is in the nature of purchase, then _____ (3 lakh will be treated as Capital Reserve /3 lakh will be treated as Goodwill / Rs.20 lakh will be treated as Capital Reserve and Rs.3 lakh will be Goodwill)

(ইংরাজী প্রশ্ন দেখ)

- xiii) When is amalgamation adjustment reserve created in the books of the amalgamated company? How is amalgamation adjustment reserve created?

একত্রিত কোম্পানীর বইয়ে কখন একত্রীকরণ সমন্বয় রিজার্ভ দেখানো হয়? একত্রীকরণ সমন্বয় রিজার্ভ কিভাবে তৈরী হয়?

- xiv) If the purchase consideration is more than the net assets (at agreed value) of the transferor company, the difference shall be recorded as _____ in the books of the transferee company.

যদি স্থানান্তরকারী কোম্পানীর ক্রয় প্রতিদান নিট সম্পদের (সম্মত মূল্যের) চেয়ে বেশি হয়, তাহলে পার্থক্যটি হস্তান্তরিত কোম্পানীর বইয়ে _____ হিসাবে রেকর্ড করা হবে।

- xv) How is goodwill recognized in the consolidated financial statements according to AS 21?

AS 21 অনুযায়ী একত্রীকৃত আর্থিক বিবৃতিতে goodwill কীভাবে স্বীকৃত হয়?

2. Answer any four questions :

5×4=20

যে-কোনো চারটি প্রশ্নের উত্তর দাও :

- i) Answer both the questions:

- a) 1,900, 14% Debentures of Rs.100 each issued at par and redeemable at par were converted into Equity Shares of Rs 10 each issued at par. Give Journal entries on issue and redemption of debentures only.

(ইংরাজী প্রশ্ন দেখ)

- b) A company issued 100,000 15% debentures of Rs.100 each at par redeemable at a premium of 15%. After 8 years the company served notice of redemption and redeemed all debentures as per the terms of issue. You are required to make entries at the time of issue and at the time of redemption.

2+3

(ইংরাজী প্রশ্ন দেখ)

- ii) Answer both the questions:

- a) Can Capital Redemption Reserve be created utilising the balance in the Securities Premium Account? (answer the question with reference to Section 52 of the Companies Act 2013.

সিকিউরিটিজ প্রিমিয়াম অ্যাকাউন্টের ব্যালেন্স ব্যবহার করে কি ক্যাপিটাল রিডেম্পশন রিজার্ভ তৈরি করা যেতে পারে? কোম্পানী আইন 2013 এর ধারা 52-এর রেফারেন্স সহ প্রশ্নের উত্তর দাও।

- b) ASA Pen Inc redeemed its 9% Preference Shares (Rs.35 lakh) @110%. For financing the redemption, the company issued Equity Shares of Rs.20 lakh @105%. Calculate the amount of Capital Redemption Reserve. 2+3

(ইংরাজী প্রশ্ন দেখ)

- iii) Write a short note on accounting for Internal Reconstruction. 5
- iv) The following is the balance sheet of Lotus Ltd. as at 31/03/2023:

<u>Assets</u>	<u>Rs</u>
<u>Non-Current Asset</u>	
Shed	60000
Machinery	350000
<u>Intangible assets</u>	
Goodwill	10000
<u>Current Assets</u>	
Stock	160000
Debtors	120000
Cash at Bank	10000
	710000
<u>Equity and Liabilities</u>	<u>Rs</u>
<u>Shareholders' Fund</u>	
Equity Share Capital	500000
6% Preference Share Capital of Rs 1000 each	100000
<u>Reserve and Surplus</u>	
Reserve	50000
Profit and Loss Account	20000
<u>Current Liabilities</u>	
Sundry Creditors	40000
	710000

It is also noted that Goodwill is to be valued at Rs.31,000 and Shed at Rs.50,000. Machinery is to be depreciated by Rs.25,000. Stock is worth Rs.1,40,000. Debtors are expected to realise 90% of book value. Equity share capital represents 50,000 shares of Rs.10 fully paid. You are required to find the value of Equity Share.

(ইংরাজী প্রশ্ন দেখ)

- v) Calculate the goodwill of Epite Pvt Ltd on the basis of 2 years' purchase of weighted average profits for the last 3 years. Purchase of weighted average profits for the last 3 years- 2020: Rs.1,00,000; 2021: Rs 70,000; 2022: Rs 50,000. The weights assigned to each year are: 2020; 1; 2021: 2; 2022; 3. Further information:
- a) On 1st October 2021, repair in respect of machinery was Rs.5,000, which was charged to revenue. This is to be capitalized for goodwill calculation subject to depreciation of 10% p.a. on reducing balance method.
- b) The closing stock for the year 2020 was overvalued by Rs.3,000.
- c) To cover the management cost and annual charge, Rs.4,000 should be made for the purpose of goodwill valuation.

(ইংরাজী প্রশ্ন দেখ)

- vi) Answer both the questions:
- a) Give two reasons why companies may choose to undergo amalgamation.
কোম্পানী একত্রিতকরণের দুটি কারণ উল্লেখ করো।
- b) Differentiate between the "Pooling of Interests" and "Purchase" methods of accounting for amalgamation.

একত্রিতকরণের জন্য অ্যাকাউন্টিং এর 'পুলিং অফ ইন্টারেস্ট'
এবং 'পারচেজ' পদ্ধতির মধ্যে পার্থক্য করো।

3. Answer any two questions : $10 \times 2 = 20$

যে-কোনো দুটি প্রশ্নের উত্তর দাও :

i) The following information has been extracted from the books of account of Gama Ltd. as at 31st March, 2022:

Particulars	Dr. (Rs.'000)	Cr. (Rs. 000)
Administration Expenses	480	
Cash at Bank and on Hand	228	
Cash Received on Sale of Fittings		10
Long Term Loan		70
Investments	200	
Depreciation on Fixtures, Fittings, Tools and Equipment (1st April, 2021)		260
Distribution Costs	102	
Factory Closure Costs	60	
Fixtures, Fittings, Tools and Equipment at Cost	680	
Profit & Loss Balance (at 1st April, 2021)		80
Purchase of Equipment	120	
Purchases of Goods for Resale	1710	
Sales (net of Excise Duty)		3,000
Share Capital (1,00,000 shares of Rs. 10 each fully paid)		1,000
Stock (at 1st April, 2021)	140	
Trade Creditors		80
Trade Debtors	780	
	4,500	4,500

Additional Information:

- The stock at 31st March, 2022 (valued at the lower of cost or net realizable value) was estimated to be worth Rs.2,00,000.
- Fixtures, fittings, tools and equipment all related to administration. Depreciation is charged at a rate of 20% per annum on cost. A full year's depreciation is charged in the year of acquisition, but no depreciation is charged in the year of disposal.

- During the year to 31st March, 2022, the Company purchased equipment of Rs.1,20,000. It also sold some fittings (which had originally cost Rs.60,000) for Rs.10,000 and for which depreciation of Rs.30,000 had been set aside.
- The average Income tax for the Company is 25%. Factory closure cost is to be presumed as an allowable expenditure for Income tax purpose.
- The company proposes to pay a dividend of 20% per Equity Share. Profits transferred to reserves Rs.30,000.

Prepare Gama Ltd's Statement of Profit and Loss for the year to 31st March, 2022 and Balance Sheet as at that date in accordance with the Companies Act, 2013 as per Part I of Schedule III along with the Notes on Accounts containing only the significant accounting policies.

(ইংরাজী প্রশ্ন দেখ)

ii) The following are the Balance Sheet of P. Ltd and Q. Ltd as at 31st March 2023:

I. Equity and Liabilities	P Ltd (Rs)	Q Ltd (Rs)
Equity shares of Rs 100 each	1600000	400000
Profit and Loss Account	200000	80000
External Liabilities	3000000	1920000
	4800000	2400000

II. Assets	P Ltd (Rs)	Q Ltd (Rs)
Equipment	1000000	380000
Investment:		
3600 equity Shares in Q Ltd on 1 st April 2022	560000	
Other Assets	3240000	2020000
	4800000	2400000

On 1st April 2022, Profit and Loss Account of Q Ltd showed a credit balance of Rs.32000 and equipment of Q Ltd was revalued by P Ltd at 20% above its book value of Rs.4,00,000 (but no such adjustment was effected in the books of Q. Ltd).

Prepare the Consolidated Balance Sheet as at 31st March 2023.

(ইংরাজী প্রশ্ন দেখ)

- iii) Open AI Ltd. and Super AI Ltd. were in competing business. They decided to form a new company named Super-Open AI Ltd. The balance sheets of both the companies were as under:

	Particulars	Notes	31.3.23 Open AI Ltd (Rs)	31.3.23 Super AI Ltd (Rs)
1	Equity and Liabilities			
	Shareholders' funds			
A	Share capital	1	20,00,000	10,00,000
B	Reserves and Surplus	2	1,00,000	2,60,000
2	Non- Current Liabilities			
A	Long term provisions	3	1,00,000	
3	Current liabilities			
A	Trade Payables		60,000	40,000
	Total		22,60,000	13,00,000
	Assets			
1	Non-current assets			
A	Property, Plant and Equipment	4	14,00,000	1,00,000
B	Intangible assets	5		1,00,000
2	Current assets			
A	Inventories		3,00,000	40,000
B	Trade receivables		2,40,000	40,000
C	Cash and Cash equivalents	6	3,20,000	20,000
	Total		22,60,000	13,00,000

The assets and liabilities of both the companies were taken over by the new company at their book values. The companies were allotted equity shares of Rs.100 each in lieu of purchase consideration amounting to Rs.30,000 (20,000 for Open AI Ltd and 10,000 for Super AI Ltd.).

Prepare opening balance sheet of Super-Open AI Ltd. considering pooling of interests method.

(ইংরাজী প্রশ্ন দেখ)

- iv) Answer both the questions:

- a) Write the accounting treatment under Purchase Method of Amalgamation.

(ইংরাজী প্রশ্ন দেখ)

- b) Explain the principles underlying the consolidation of financial statements as per AS 21.

5+5

Notes to the Accounts

		Open AI Ltd. Rs.	Super AI Ltd. Rs.
1	Share Capital		
	Equity shares of Rs 100 each	20,00,000	10,00,000
2	Reserves and Surplus		
	Insurance reserve	1,00,000	
	Employee profit sharing reserve		60,000
	Reserve account		1,00,000
	Surplus		1,00,000
		1,00,000	2,60,000
3	Long term provisions		
	Provident fund	1,00,000	
		1,00,000	
4	Property, Plant and Equipment		
	Land and Building	10,00,000	6,00,000
	Plant and machinery	40,00,000	5,00,000
		14,00,000	11,00,000
5	Intangible assets		
	Goodwill		1,00,000
			1,00,000
6	Cash and Cash Equivalents		
	Cash at Bank	2,20,000	10,000
	Cash in hand	1,00,000	10,000
		3,20,000	20,000

AS 21 অনুযায়ী আর্থিক বিবৃতি একত্রীকরণের
অন্তর্নিহিত নীতিগুলি ব্যাখ্যা কর।