

School of Finance and Commerce

**Bachelor of Commerce Honours in International Accounting and Finance
Semester End Examination - Aug 2024**

**Duration : 180 Minutes
Max Marks : 100**

Sem IV - H1UD403T - Corporate AccountingGeneral Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Define shares and explain their significance in corporate finance. K1(2)
- 2) Mention the methods of computing purchase consideration. K2(4)
- 3) Explain the different methods of redemption of debentures. K2(6)
- 4) Explain the term "amalgamation" as per AS-14 K3(9)
- 5) Discuss the "net assets method". Demonstrate the relevant factors to be considered while determining purchase consideration. K3(9)
- 6) Interpret the various factors that are to be taken into account while recording transactions in the books of both transferor and transferee companies. K5(10)
- 7) Analyze the process of forfeiture of shares (a) at par; (b) at a premium and (c) at a discount K4(12)
- 8) Interpret the procedure involved in redemption of partly paid-up preference shares. K5(15)
- 9) M/s Leela Agro Ltd. has part of its share capital in 5,000 12% redeemable preference shares of Rs. 100 each. The general reserve of the company shows a credit balance of Rs. 6,00,000. The directors decided to utilize 70% of the reserve in redeeming the preference shares and the balance is to be met from the proceeds of the fresh issue of sufficient number of equity shares of Rs.10 each. K5(15)
- 10) X Ltd. issued 10,000 shares of Rs.10 each at Rs.12 payable as follows: On Application Rs. 2.50 On Allotment Rs. 4.50 (including Premium) On First Call Rs. 2.00 On Final Call Rs. 3.00 All the shares were applied for and allotted. All money was received with the exception of first and final call on 100 shares held by Mr. A. These shares were forfeited and re-issued at Rs. 9 per share. Give the journal entries relating to forfeiture and re-issue of forfeited shares. K6(18)