

2020-21
Time - 3 hours
Full Marks – 80

*Answer **all groups** as per instructions.
Figures in the right hand margin indicate marks.
Candidates are required to answer
in their own words as far as practicable.*

Group-A

1. Answer all questions or fill in blanks as required. [1x12]
- a) Preference shareholders get dividend at _____ rate.
 - b) Bonus shares are issued to _____ shareholders.
 - c) Debenture holders are paid _____.
 - d) Preference shareholders who get their capital back after a specific time period, are called _____ Preference shares.
 - e) Past members who contribute on liquidation of a company are called _____ list of contributories.
 - f) Goodwill is a _____ asset of a company.
 - g) Super profit is the excess of actual profit over _____.
 - h) When outside liabilities are subtracted from total tangible assets, the balance is called _____.
 - i) Shareholders get the surplus profit of the company in which form?
 - j) Debentures are part of which capital of a company?
 - k) Dividend which is declared between two annual general meetings of a company is known as?
 - l) Name the account which the liquidator submits after settlement of accounts on liquidation of a company.

Group-B

2. Answer any eight of the following questions within two or three sentences each. [2x8]

- a) State two features of equity shares.
- b) Which preferences that the preference shares get over equity shares?
- c) What is right issue?
- d) What are redeemable preference shares?
- e) Define interim dividend.
- f) Who are 'A' list of contributories?
- g) Define super profit.
- h) What is market value of shares of a company?
- i) Define Calls in Arrears.
- j) Write the journal entry of allotment of shares with premium.

GROUP-C

3. Write notes on any eight of the followings within 75 words: [3x8]
 - a) Distinguish between equity shares and preference shares.
 - b) Distinguish between shares and debentures.
 - c) Define issue of shares at premium.
 - d) State the benefits of issue of bonus shares.
 - e) State the list of preferential creditors of a company.
 - f) A company who expects 25% return on capital investment of ₹2,00,000, earns annual profit of ₹55,000, ₹50,000 and ₹45,000 during last three years. Calculate super profit.
 - g) State when the valuation of shares in needed.
 - h) State the journal entry of forfeiture of shares.
 - i) A company forfeited 100 equity shares of ₹10 each (Fully called up) issued to Mr. Sharma for non-payment of 1st Call Money ₹2 and Final Call Money of ₹3 per share. Pass journal entry.
 - j) Define issue of shares at premium.

GROUP- D

4. Answer any four questions within 500 words each. [7x4]

a) XY Ltd. Issued 10,000 equity shares of ₹10 each at a premium of ₹2.00 per share. The amount was payable as:

₹2 on application

₹3 on allotment (including premium)

₹2 on 1st call

₹3 on 2nd and final call.

All calls were made and amount duly received except 1st call and 2nd and final call on 200 shares. These shares are forfeited and later reissued ₹7 per share fully called up. Pass journal entry.

b) Briefly outline the accounting treatments on redemption of redeemable preference shares.

c) State with suitable example the net asset basic method of valuation of shares of a company.

d) A company redeems its preference shares amounting ₹10,00,000 at a premium of 5%. For this purpose, the company issued 50,000 equity shares of ₹10 each at a premium of 5%. The company has balance of ₹8,00,000 in General Reserve, ₹5,00,000 in Profit and Loss account and ₹7,50,000 in bank.

Give journal entries to redeem the preference shares.

e) Goodwill and Co. has reported profits for the last four years as under:

2017	₹40,000
2018	₹42,000
2019	₹39,000
2020	₹43,000

During the year 2019, there was loss of goods ₹2,000 on fire. Profits for the year 2018 includes interest on investment ₹1,000. The management decided to insure the goods in the future with annual premium of ₹500.

Calculate the value of goodwill of the company under purchase of past average annual profit when number of years purchase is 3.

- f) Explain the provisions of the Companies Act with regard to divisible profits.
- g) From the following particulars of a limited company, that goes into voluntary liquidation, prepare liquidator's Final Statement of Account, paying remuneration to liquidator @ 2% on the amount realized from assets and 3% on the amount paid to unsecured creditors.

Issued share capitals:

I) 10,000 fully paid preference shares of ₹10 each.

II) 25,000 equity shares of 10 each.

Assets realized ₹2,90,000

(excluding amount realized from surplus to secured creditors)

Secured creditors (securities realized ₹50,000) ₹45,000

Unsecured creditors ₹2,70,000

Preferential creditors ₹10,000

Debentures having floating charges on all assets 1,00,000 Liquidator expenses ₹5,000
