

## Corporate Accounting

### Practice Paper

#### B.Com (Hons.) Sem II

Question : A company wants to redeem its 10,000, 8% preference shares of Rs. 10 each, Rs. 8 called up at 10% premium. The ledger A/C shows the following balances: Securities Premium A/C- Rs. 2,000, Surplus A/C- Rs. 10,000. The directors redeemed the shares by making fresh issue of equity shares of Rs. 10 each at 5% premium. Calculate the number of fresh issue of equity shares.

- a. 9443 Shares
- b. 9334 Shares
- c. 9434 Shares
- d. 9343 Shares

Question : A Limited Company forfeited 100 shares of Rs. 10 each at 20% premium ( to be paid at the time of application money) on which allotment money of Rs. 4 per share and first call money of Rs. 3 per share were not received, the final call of Rs. 2 per share is not yet called. These shares were originally allotted on pro-rata basis in the ratio of 4:5. These shares were subsequently reissued at a discount of rupee one per share, credited as Rs. 8 paid up. Calculate the amount transferred to capital reserve.

- a. Rs. 50
- b. Rs. 75
- c. Rs. 100
- d. Rs. 125

Question : Which of the following reserve cannot be utilized for the purpose of redemption of preference shares.

- a. Reserve Fund
- b. General Reserve
- c. Securities Premium A/C
- d. Surplus A/C

Question : On purchase of own debentures for immediate cancellation, the journal entry will be:

- a. Bank A/C Dr.  
    To Sinking fund A/C
- b. General Reserve A/C Dr.  
    To Sinking Fund A/C

- c. Sinking Fund Investments A/C Dr.  
    To Sinking Fund A/C
- d. Surplus A/C Dr.  
    To Sinking Fund A/C

Question : When Taxable Income is more than Accounting Income, it results in:

- a. Deferred Tax Liability
- b. Deferred Tax Asset
- c. Provision for Tax
- d. Extraordinary Profit

Question : A company has the following position for the year ended 31st March, 2018.  
Provision for Tax- Rs. 5,00,000, Advance Payment for Tax- Rs. 4,75,000, Tax Deducted at Source- Rs. 20,000. The assessment of a company completed and tax liability is settled at Rs. 5,10,000. The amount transferred to provision for tax A/C would be:

- a. Rs. 25,000
- b. Rs. 20,000
- c. Rs. 10,000
- d. Rs. 15,000

Question : A company can utilize securities premium A/C to issue fully paid bonus shares.

- a. Realization A/C Dr.  
    To Bank A/C
- b. Goodwill A/C Dr.  
    To Bank A/C
- c. Liquidation Expenses A/C Dr.  
    To Bank A/C
- d. General Reserve A/c Dr.  
    To Bank A/C

Question : X Co. agrees to take over the business of Y Ltd. , the consideration being the assumption of trade liabilities of Rs. 50,000, the payment of the cost of liquidation of Rs. 2,000, the redemption of the 'B' debentures of Rs. 2,00,000 at a premium of 10%, the discharge of 'A' debentures of Rs. 4,00,000 at a premium of 8% by the issue of debentures in the X Co. Ltd. and the payment of Rs. 10 per share in cash and the exchange of 2 fully paid Rs. 10 shares in the X Co. Ltd. at the market price of Rs. 15 per share for every share in Y Ltd. The share capital of the vendor company consists of 20,000 shares of Rs. 25 each fully paid Calculate Purchase Consideration.

- a. Rs. 6,00,000
- b. Rs. 8,00,000
- c. Rs. 10,00,000

d. Rs. 12,00,000

Question : The Journal Entry to record the sale of asset ( Recorded or Unrecorded) not taken over by the transferee company in the books of transferor company is:

- a. Bank A/C Dr.  
    To Realization A/C
- b. Respective Asset A/C Dr.  
    To Bank A/C
- c. Bank A/C Dr.  
    To Respective Asset A/C
- d. None of the Above