NCU-FORM-29 11 MAR 2025 (E)

THE NORTHCAP UNIVERSITY	Minor Examination Question Paper	Review Date:
	Department of Management and Commerce School of Management & Liberal Studies	Semester: IV Session: JAN - JUN 2025
	Programme: B.Com(H)/FM Course Name: Corporate Accounting Course Code: CML204	Maximum Marks: 25 Duration: 90 minutes
		Sheet 1 of 2

Instructions

1. The paper has THREE Sections.
   a. Section A has THREE questions of TWO marks each.
   b. Section B has THREE questions of FIVE marks each.
   c. Section C is Application Based and is of FOUR marks.
2. There is **NO CHOICE** in this paper.
3. Attempt one section fully before starting with a new section.
4. This paper does NOT require use of any log/statistic table(s)
5. This paper requires use of simple calculator.

Course Outcomes:

CO 1 Understand the treatment of Share Capital.

CO 2 Understand the treatment of Debentures.

SECTION A

Short Answer Type Questions

6 marks

Q#	QUESTION	Marks	CO
1.	ABC Ltd. issued 5,000 10% Debentures of ₹100 each at par on 1st April 2024. The debentures are redeemable at a premium of 10% after 5 years. Pass the necessary journal entries for: • Issue of debentures at par • redemption of debentures on premium after 5 years	2	CO2
2.	What are the permissible utilizations of the security premium account under the Companies Act?	2	CO1
3.	Differentiate between shares and debentures with at least four points of distinction.	2	CO2

SECTION B

Long Answer Type Questions

15 marks

Q#	QUESTION	Marks	CO
4.	Premium Electronics Ltd. issued 25,000 shares of Rs. 50 each at a premium of Rs. 10 per share, payable Rs. 20 on application, Rs. 20 on allotment (including premium), and Rs. 20 on the first and final call. The company received applications for 40,000 shares. Applications for 5,000 shares were rejected, and the money was returned to the applicants. Applications for 15,000 shares were accepted in full, and applicants for 20,000 shares were allotted 50% of the number of shares applied for. Excess application money was adjusted into allotment. All money due on allotment and call was received. Prepare the Journal.	5	CO1
5.	a) Swaraj Ltd. invited applications for 40,000 shares of Rs. 20 each at a premium of	5	CO1

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	Rs. 5 per share, payable as follows: Application - Rs. 6; Allotment - Rs. 9 (including premium); 1st Call – Balance. Applications were received for 85,000 shares, out of which applications for 5,000 shares were rejected and money was refunded. The allotment was made on a pro-rata basis to the remaining applicants. Money overpaid on the application was adjusted against allotment money due. Additional Information: • Sonu was allotted 1,000 shares but failed to pay the allotment money and first call, leading to forfeiture of his shares. • The forfeited shares were reissued at Rs. 17 per share, credited as fully paid. **Requirement:** Pass the necessary **journal entries for forfeiture and re-issue of shares** in the books of the company. **b)** Galaxy Automobiles Ltd. purchased vehicles worth ₹9,00,000 from Speed Motors Ltd. The company paid ₹3,00,000 in cash and settled the remaining balance by issuing equity shares of ₹100 each at ₹120 per share. Journalise.		
6.	(a) Discuss the various types of share capital in a company (3 marks) (b) Differentiate between Right shares and Bonus shares (2 marks)	5	CO1

SECTION C

Application Based Question / Case Study

4 marks

Q#	QUESTION	Marks	CO
7.	The Balance Sheet of **XYZ Ltd.** as of **31st March 2024** is given below:	4	CO2

Liabilities	Amount (₹)	Assets	Amount (₹)
Equity Share Capital (30,000 shares of ₹10 each)	3,00,000	Sundry Assets	5,50,000
10% Redeemable Preference Share Capital (1,500 shares of ₹100 each fully paid)	1,50,000	Bank	1,50,000
General Reserve	1,00,000		
Profit & Loss Account	50,000		
Creditors	1,00,000		
Total	**7,00,000**	**Total**	**7,00,000**

On the above date, the preference shares are redeemed at a **premium of 10%** using the available **General Reserve and Profit & Loss Account.**

Journalize the transactions and prepare the **Amended Balance Sheet** after redemption.

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