***MUGBERIA GANGADHAR MAHAVIDYALAYA***

**B.Com.(Hons.)2ND Semester Examination -2020**

**Subject : Corporate Accounting. Paper C3T. Time-3 hours F.M-10**

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*Candidates are required to give their answers in their own words as far as practicable.*

*Questions are equal value,*

*Answer one question [within 250 words] from the following:*

1) What do you mean by Purchase Consideration? Difference between Amalgamation and Absorption.

2) Difference between Internal Reconstruction and External Reconstruction of a company?

3) Defined Holding Company. . Discuss the causes of reduction of share capital.

4) What is Minority Interests? How is it calculated? Give imaginary examples

5) The balance sheet of X Ltd.as on 31.03.2020 included following:

 Rs.

Preference shares of Rs.100 each, fully paid 1,30,000

Equity shares of Rs.50 each, fully paid 4,50,000

Surplus account 96,000

Investments 37,000

Balance at bank 62,000

In order to facilitate the redemption of preference shares at a premium of 10%, the company decided:

a) to sell all the investments for Rs.30,000

b) to finance part of redemption from company funds, subject to leaving a bank balance of Rs.24,000

c) to issue minimum equity shares of Rs 50 each at a premium of 10 per share to raise the balance of funds required.

The Company also decided to issue 1,000 equity shares of Rs 50 each as bonus to the existing shareholders.

You are required to pass the necessary journal entries and prepare the notes on ‘share capital’ and ‘reserve and surplus ’relevant to the balance sheet prepared on the completion of the above transaction.

6) X Ltd. issued 10,000 equity shares of Rs 10 each at a premium of Rs 2 per share payable as follows:

On application Rs.3, On allotment Rs 5 (including premium), On first and final call Rs 4.

The company received applications for 12,000 shares.10,000 shares were allotted pro rata to all the applicants. Excess application money was adjusted with allotment. All the shareholders, except one holding 200 shares, paid the allotment money and call money. These 200 shares (paid only application money)were duly forfeited and then reissued to a new shareholder at Rs 9 per share as fully paid.

Pass the journal and book entries in the books of X Ltd.

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