

**SREE CHAITANYA MAHAVIDYALAYA**

Internal Assessment Test: 2021-22

Corporate Accounting : **FACADSE02T**

**B.Com(Hons.), Semester-V**

Answer script to be sent within 1 hour after exam by email at [scm.comm.sld@gmail.com](mailto:scm.comm.sld@gmail.com)

Full Marks: 20

Time: 1 Hour

**Group-A ( Answer all questions )**

**10 X 1**

1. Mention three modes of winding up of a company.
2. Distinguish between stock and share.
3. Distinguish between 'Reserve Capital' and 'Capital Reserve'.
4. Mention two circumstance where bonus share can be issued.
5. What is employees stock option?
6. Mention any two purpose for which securities premium can be utilised.
7. Give journal entry –  
Redemption of Rs 40000 12% debenture at 108% by converting into new 10% debenture issued at 96%
8. Name four methods of redemption of debenture by a company.
9. How is minority interest calculated?
10. What is super profit method of valuation of goodwill?

**Group-B ( Answer any two questions )**

**2 X 5**

11. The capital structure of a company is as follows –  
10% Preference share capital of Rs 10 each Rs 200000  
Equity share capital of Rs 10 each Rs 300000  
The preference shares are entitled to participate further 5% after payment of a dividend of 10% to equity shareholders. Average annual profit after tax of the company is Rs 90000. Normal rate of return applicable for both type of share is 12.5%  
Find out the value of each of the classes of share.
12. What is buy-back of shares? Describe the conditions to be fulfilled by a company to buy-back its equity share.
13. 'A' holds 100 shares of Rs 10 each on which he has paid Re 1 per share as application money. 'B' holds 200 shares of Rs 10 each on which he has paid Re 1 and Rs 2 per share as application and allotment money respectively. 'C' holds 300 shares of Rs 10 each and has paid Re 1 on application Rs 2 on allotment Rs 3 on first call.  
They all fail to pay their arrear and the final call of Rs 4 per share and the directors, therefore, forfeited their shares. Out of the forfeited shares 300 shares( Whole of A and B's holding ) reissued @ Rs 9 per share.  
Journalised the above transactions.