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(including all of A's shares) at Rs.90 per share. Pass the Journal Entries and prepare Balance Sheet.

(c) A company had Rs. 80,000 5% Debentures outstanding as on 1st January 2018 redeemable on 31st December 2018. On that day, the Sinking Fund was Rs.75,900 represented by Rs. 10,000 own debentures purchased at an average price of Rs. 98 and Rs. 66,000 (nominal value) 4% stock. The annual installment was Rs. 2,490. On 31st December 2018 the investments were realized at Rs. 97 and the debentures were redeemed. Pass necessary Journal Entries and prepare necessary Ledger Accounts.

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Total No. of Questions : 4]

[Total No. of Printed Pages : 6

Course Code
DIA - 05

Term End Examination - December, 2019

COMPANY ACCOUNTS

Diploma in Accounting (DIA)

Time : 3 hours

Full Marks : 100

The figures in the right-hand margin indicate marks

Answer **all** Groups as directed

Group—A

1. Answer *all* the questions, each within 1 word or 2 sentences : 1×10=10
 - (a) Write any two features of company.
 - (b) What is over subscription?
 - (c) What do you mean by calls in arrears?
 - (d) Define right shares.
 - (e) What do you understand by convertible debentures?
 - (f) Mention any two merits of issue of debenture.

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- (g) What is P & L Appropriation A/c?
- (h) What do you mean by notes to accounts?
- (i) What is loss asset?
- (j) What is co-insurance?

Group—B

2. Answer any *four* questions each within
100 words : $5 \times 4 = 20$

- (a) Define Bonus share and show the accounting treatment for issue of Bonus share.
- (b) A company makes a rights issue of one shares of Rs 100 at a premium of 10 percent for every three shares held by the members of the company. Shares of the company are being sold in the market @ Rs.150 per share. Find the value of the right.
- (c) Differentiate between Debenture and Share.
- (d) What are items in Current assets, Loans and Advances?

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Group—D

4. Answer any *two* questions each within
300 words : $15 \times 2 = 30$

(a) Who is responsible for maintenance of Books of Accounts? Briefly explain the provisions of company law relating maintenance of books of accounts.

(b) A company issued 20,000 equity shares of Rs. 100 each at a premium of Rs. 20 per share payable as: on application Rs. 30, on allotment Rs. 40 (including premium), on first call Rs. 30 per share and on second call Rs. 20. Applications were received for 30,000 shares. Allotment was made on pro-rata basis to 24,000 shares; the remaining applications being refused. Excess money on application was utilized towards allotment.

Mr. A to whom 400 shares were allotted, failed to pay allotment money and first call money and his shares were forfeited after first call. Mr B to whom 600 shares were allotted failed to pay both the calls and his shares forfeited after second call. Of these forfeited shares, 800 shares

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the calls. These 1000 shares were forfeited and of these 600 shares were subsequently reissued as fully paid at Rs. 9 per share. Pass the Journal Entries and prepare Opening Balance Sheet.

(f) Prepare a Fire Revenue Account for 31st March 2019.

Particulars	Amount (Rs.)
Reserve for unexpired risk (1/4/2018)	90,000
Outstanding claim (1/4/2018)	20,000
Outstanding claim (31/3/2019)	15,000
Premium received	3,60,000
Reinsurance premium paid	50,000
Claims paid	90,000
Management expenses	70,000
Interest and dividend less tax	9,000
Legal expenses related to claim	3,000
Commission on direct business	30,500
Commission on re-insurance ceded	4,000
Commission on re-insurance accepted	1,000
Reserve for unexpired risk 60% of premium received on 31st March 2019.	

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(e) Differentiate between Life and Non-Life insurance.

(f) Write a note on RBI guidelines on Non-Performing Assets.

Group—C

3. Answer any *four* questions each within 200 words : 10×4=40

(a) Explain Book Building Process.

(b) Explain any two methods of Redemption of Debentures with accounting entries.

(c) Show the pro-forma of Income statement of a company.

(d) Write a note on Accounting system of a Banking Company.

(e) X Ltd. issued a prospectus offering 20000 equity shares of Rs. 10 each at par payable as follows: On application and allotment Rs. 5; on first call Rs. 2.50 per share; and on second and final call Rs. 2.50 per share. A shareholder of 1000 equity shares did not pay the amount due on both