

TERM END EXAMINATION-JUNE, 2019  
DIPLOMA IN ACCOUNTING (DIA)

COMPANY ACCOUNTS

Time-3 Hours

Full Marks-100

(Answer All the questions form Group-A , any four questions from Group - 'B', any four questions from Group - 'C' and any two questions from Group - 'D')

Group 'A'

Q. No. 1 Answer all the questions, each within one or two sentences Marks: 1 × 10= 10

- a) What do you mean by Authorized share capital?
- b) What is Capital Reserve?
- c) What do you mean by forfeiture of shares?
- d) Define Bonus Shares.
- e) What do you understand by intangible asset?
- f) Mention any two features of debenture.
- g) What is Provisions?
- h) What do you mean by current liabilities?
- i) What is a standard asset?
- j) What is General Insurance?

Group 'B'

Q. No. 2 (Answer any four questions each within 100 words) Marks: 5 × 4= 20

- a) Differentiate between Equity and Preference Shares.
- b) What is cum-interest and ex-interest and show its calculation.
- c) Write a note on Divisible Profit and Contingent liability.
- d) Write note on Non Performing Assets.
- e) Write a note on Calls in Arrears.
- f) What are different types of Debentures?

Group 'C'

Q. No. 3 (Answer any four questions, each within 200 words) Marks: 10 × 4= 40

- a) Explain issue of shares at premium and how Securities premium can be utilized?
- b) Write a note on different sources of Redemption of Debentures.
- c) Show the pro-forma of Balance sheet under schedule-VI
- d) Give a specimen of P&L Account of a Banking Company and mention the items included in Interest earned.
- e) Ambani Ltd. issued 10,000 shares of Rs10 each at par. The amount received as follows:
  - i. On application Rs3
  - ii. On allotment Rs3
  - iii. On first call Rs2
  - iv. On final call Rs2

The company received all the money except in case of 150 shareholders did not receive the first and final call money these shares were forfeited and reissued at a discount of 10%. Pass Journal entries in the books of Ambani Ltd.

P.T.O

- f) The company redeems 1000 13% Debentures of Rs.100 each by converting them into equity shares of Rs.10 each at a premium of Rs.2.50 per share. The company also utilized Rs.50000 out of profit to redeem 500 Debentures. Give Journal entries.

**Group 'D'**

**Q. No. 4. (Answer any two questions, each within 300 words) Marks: 15 × 2= 30**

- a) Write a comprehensive note on different methods of redemption of Debentures.
- b) A company issued 2,000 equity shares of Rs.10 each at a premium of Rs.2 per share payable as: on application Rs.3, on allotment Rs.4 (including premium), on first call Rs.3 per share and on second call Rs.2. Applications were received for 3,000 shares. Allotment was made on pro-rata basis to 2,400 shares; the remaining applications being refused. Excess money on application was utilized towards allotment.

Mr A to whom 40 shares were allotted, failed to pay allotment money and first call money and his shares were forfeited after first call. Mr B to whom 60 shares were allotted failed to pay both the calls and his shares forfeited after second call. Of these forfeited shares, 80 shares (including all of A's shares) at Rs.9 per share. Pass the journal entries and prepare balance sheet.

- c) From the following information prepare the Profit & Loss A/c of Punjab Bank Ltd. for the year ended 31<sup>st</sup> March, 2019.

	<b>(In Rs.)</b>
Interest on Loans	1,29,500
Interest on fixed deposits	1,37,500
Commission	5,000
Discount on bills discounted	97,500
Interest on cash credits	1,11,500
Auditors fees	20,000
Rent & Taxes	9,000
Interest on overdraft	60,000
Director's fees	1,500
Sundry charges	500

**Other information:**

- (i) Bad debts Rs.20,000 to be written off.
- (ii) Provision for taxation @55% to be made.
- (iii) Balance of Profit for last year Rs.55,000.
- (iv) Provide Rs.20,000 for dividend.

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