

# Term End Examination -2017

Diploma in Accounting(DIA)

Company Accounts Course Code –DIA-05

Time- 3 Hours

Full Marks- 100

Group -A

**Q1.** Answer any **four questions** each within 100 words.

(5x4= 20)

- a) Write a short note on 'lien on shares'.
- b) Compare preference shares with equity shares.
- c) Write the advantages and disadvantages of issue of debentures
- d) What are the advantages of company form of organisation. Briefly answer
- e) A Company intends to buy back its own shares. What are the restrictions on buy back of own shares under the Companies Act, 2013
- f) Explain the procedure for reduction of share capital.
- g) "Insurance works as tool in a business". Briefly justify.

Group -B

**Q2.** Answer any **two questions** each within 250 words.

(10x2= 20)

a) (a) The following are the balance sheets of H Ltd. and S Ltd. as at 31st March, 2013 :

I EQUITY AND LIABILITIES	H. Ltd. ( Rs )	S. Ltd. ( Rs )
(1) Shareholders' Funds		
(a) Share capita (Rs 100 each)	5,00,000	2,00,000
(b) Reserves and surplus		
General reserve (1.4.2012)	1,00,000	60,000
Surplus (Profit & Loss a/c)	1,40,000	90,000
(2) Current Liabilities		
Trade payables	80,000	90,000
TOTAL	8,20,000	4,40,000
II ASSETS		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	3,60,000	2,20,000
(ii) Goodwill	40,000	30,000
(b) Investments		
(1,500 shares in S. Ltd.)	2,40,000	—

(2) Current assets

(a) Inventories	1,00,000	90,000
(b) Trade receivables	20,000	75,000
(c) Cash	60,000	25,000
TOTAL	8,20,000	4,40,000

The profit and loss account of S Ltd. showed a balance of Rs. 53,000 on 1st April, 2012. A dividend of 15% was paid on 15th October, 2012 for the year 2011-12. Corporate tax @15% was also paid on the dividend. The dividend was credited by H Ltd. in its profit and loss account. H Ltd. acquired the shares on 1st October, 2012. The trade payables of S. Ltd. include Rs. 20,000 for goods supplied by H. Ltd. The stock of S Ltd. includes goods to the value of Rs. 8,000 which were supplied by H Ltd. at a profit of 33% on cost. Prepare a consolidated balance sheet.

b) Define Commercial Bank .What are the points to be considered in opening an account for trustee.

c) On 1st April, 2010, Burma Ltd. issued 20,000, 13% debentures of Rs.100 each at 5% discount. Debenture holders have an option to convert their holdings in 14% preference shares of Rs. 100 each at a premium of Rs. 25 per share. On 31st March, 2011, one year's interest has accrued on these debentures and has remained unpaid. A holder of 100 debentures notified his intention to convert his holdings in 14% preference shares. Journalise these transactions. Also show workings for number of preference shares to be issued in exchange.

d) Give a clear picture of Mortgage about its features and types.

Group -C

Q3. Answer any three questions each within 500 words.

(20x3= 60)

- What are the precautions to be taken by a banker while lending money against accounts receivables?
  - What is a debenture and its redemption? Describe various methods for redemption of debentures. Give illustrations
  - Define the term bonus and explain the conditions to be satisfied by a company before issue of bonus shares
  - Explain the conditions under which redeemable preference shares can be redeemed.
  - Give a detailed note about accounting practices in commercial banks
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