

Bachelor of Commerce

B.Com

CHOICE BASED CREDIT SYSTEM

BCOC – 137: CORPORATE ACCOUNTING

ASSIGNMENT

2021-2022

Fourth Semester



**School of Management Studies
Indira Gandhi National Open University
Maidan Garhi, New Delhi -110068**



**BACHELOR OF COMMERCE
CHOICE BASED CREDIT SYSTEM
BCOC – 137: CORPORATE ACCOUNTING**

ASSIGNMENT: 2021-22

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course. The assignment has been divided into three sections. **Section-A** Consists of long answer questions for 10 marks each, **Section-B** consists of medium answer questions for 5 marks each and **Section-C** consists of short answer questions for 10 marks each.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

1. Those students who are appearing in June 2021 Term End Examination they have to submit latest by in 15th March 2021.
2. Those students who are appearing in December 2021 exams. They should download the new assignment and submit the same latest by 15th October 2021.

You have to submit the assignment of all the courses to the Coordinator of your Study Centre.

TUTOR MARKED ASSIGNMENT

PROGRAMME CODE	:	B.COM
COURSE CODE	:	BCOC – 137
SEMESTER	:	FOURTH
COURSE TITLE	:	CORPORATE ACCOUNTING
ASSIGNMENT CODE	:	BCOC – 137/TMA/2021-22
COVERAGE	:	ALL BLOCKS

Maximum Marks: 100

Note: Attempt all the questions.

Section – A

- Q.1** Pawan Ltd. had authorized capital of Rs. 5 lakh divided into shares of Rs. 10 each. It purchased a Building from Y for Rs. 2 lakh and issued fully paid shares to Y for purchase consideration. It invited applications for the balance 30,000 shares of Rs. 10 each payable as follow: Rs 3 per share on application, Rs 3 per share on allotment, Rs 2 per share on 1st call and Rs 2 per share on final call. Ashok who had been allotted 500 shares failed to pay both the calls. His shares were forfeited and re-issued at Rs 9 per share to Hari as fully paid up. Make necessary entries in Journal and prepare the opening Balance Sheet of Company. **(10)**
- Q.2** X Ltd decides to buy back 10% of Rs. 100 crore paid up equity capital. The face value of per equity share is Rs. 10, but the market price is Rs 15 per share. X Ltd took the following steps for the buy back of its shares: **(10)**
- i) To issue 14 % debentures of Rs. 100 each at par for the face value of Rs. 10 crores.
 - ii) To utilise the General Reserve.
 - iii) To sell investment of Rs. 7 crores for Rs 8 crores.
 - iv) To buy back the shares at the market price.
 - v) To immediately cancel the shares bought back.
- Pass necessary journal entries.
- Q.3** X Ltd wants to purchase the business of Y Ltd. Profit of Y Ltd for the past four years were Rs. 35,000 Rs. 60,000, Rs. 50,000 and Rs. 55,000 respectively. You are informed that Rent at Rs. 4000 p.a. and manager salary @ Rs. 2,000 per month which have been charged against profit of Y Ltd. will not be paid by X Ltd. Average capital employed by Y Ltd. was Rs. 6,00,000 and normal rate of return of the same type of business was 10%. Calculate the value of Goodwill by capitalization method. **(10)**
- Q.4** Capital of Great India Ltd. comprise 1,000 6% participating preference shares of Rs. 100 each and 4000 equity shares of Rs. 100 each fully paid. Preference shares are entitled to participate in profits to the extent of 4% after payment of an equity dividend of 10%. Balance of profit is available for equity shareholders. The Company's normal profit (Less tax) is Rs 75000. Normal Rate of dividend to this type of Company is 8% on participating preference shares and 10% on equity **(10)**

shares. Determine the value of each type of shares on the basis of Dividend Yield Method.

Q.5 How will you prepare a Consolidated Balance Sheet in case of partly owned subsidiary company with the help of a suitable example? **(10)**

Section – B

Q.6 Explain with imaginary figures, how the following items will appear in a company's balance Sheet? **(2.5, 2.5)**

i) Share Capital

ii) Fixed Assets

Q.7 How are various activities classified while preparing the Cash Flow Statement? **(5)**

Q.8 Briefly explain the methods of internal reconstruction. **(5)**

Q.9 Explain the difference between accounting treatment in the nature of merger and in the nature of purchase. **(2.5, 2.5)**

Q.10 Give journal entries in the books of Transferor Company and the Transferee Company in case of amalgamation. **(2.5, 2.5)**

Q.11 Give the Proforma of Profit and Loss Account of Banking Company without schedules. **(5)**

Section – C

Q.12 Explain the slip system of bank Book-keeping. Explain its advantages and disadvantages? **(3, 7)**

Q.13 Write short notes on the following: **(5, 5)**

a) Non-Performing Assets

b) Commercial Banks