

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI  
(END SEMESTER EXAMINATION)**

CLASS: MBA  
BRANCH: MBA

SEMESTER : III  
SESSION : MO/19

**SUBJECT: MT510 CORPORATE ACCOUNTING**

TIME: 3.00Hrs.

FULL MARKS: 50

**INSTRUCTIONS:**

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
2. Attempt all questions.
3. The missing data, if any, may be assumed suitably.
4. Before attempting the question paper, be sure that you have got the correct question paper.
5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.

- Q.1(a) Explain the categories in which share capital of a company is divided. [5]
- Q.1(b) X Ltd. Invited application for the issue of 10 Lakh equity shares of Rs. 10/- payable as Rs. 3/- on application and allotment, Rs. 4/- on first call and Rs. 3/- on second and final call. Application for 15 Lakh shares were received and pro rata allotment was made to all the applicants. Excess application money was adjusted on the sum due on first call. When the first call was made one share holder who had applied for 15,000 shares did not pay the first call money. Prepare necessary journal entry in the books of company. [5]

- Q.2(a) Discuss various types of underwriting agreement. [5]
- Q.2(b) XYZ Ltd. Issued application for 2,50,000 equity shares of Rs. 100/- each. The entire issue was fully underwritten by P, Q, R and S as P: 1,00,000 shares, Q: 75,000 shares, R: 50,000 shares and S 25,000 shares. Applications were received for 2,25,000 shares of which marked applications were as followed: P: 1,10,00 shares. Q: 45,000 shares, R: 55,000 shares and S:5,000 shares. You are required to calculate the net liability of individual underwriters by giving credit to unmarked applications in the ratio of gross liability. [5]

- Q.3(a) State the factors which influence the evaluation of goodwill of a firm. [5]
- Q.3(b) Balance sheet of ABC as on 31<sup>st</sup> March 2019 is as follows: [5]

Liabilities	Amount	Assets	Amount
Capital	77,500	Fixed Assets	85,000
General Reserve	22,500	Current Assets	50,000
Creditor	40,000	Pre-paid Expenses	10,000
Bills payable	5,000		
	<b>1,45,000</b>		<b>1,45,000</b>

The net profit for the last three years were Rs. 19,500/-, Rs. 22,500/- and Rs. 30,000. Calculate the value of goodwill at two times of super profit, taking into consideration the normal rate of return on the capital employed is 15%.

- Q.4(a) Differentiate between amalgamation absorption and external reconstruction. [5]
- Q.4(b) Explain when can a company be wound up voluntarily. [5]

- Q.5(a) H Ltd. Acquired all the shares of S Ltd. On 1<sup>st</sup> January 2018 and the balance sheet for the two companies on 31<sup>st</sup> March 2017 were as follows : [10]

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share Capital	5,00,000	3,00,000	Sundry Assets	6,50,000	6,50,000
General Reserve	2,00,000	1,00,000	Shares in S	4,50,000	
1 <sup>st</sup> April 2017			Ltd. At cost		
Profit & Loss A/c	2,00,000	1,00,000			
Creditors	2,00,000	1,50,000			
<b>TOTAL</b>	<b>11,00,000</b>	<b>6,50,000</b>		<b>11,00,000</b>	<b>6,50,000</b>

The profit and Loss A/c of S Ltd. had a credit balance of Rs. 30,000/- on 1<sup>st</sup> April 2017. The profit of S Ltd. Accrued evenly throughout the year.  
Prepare the consolidated balance sheet as on 31<sup>st</sup> March 2018.