

SECTION-B

UNIT-I

2. What do you mean by right shares? Briefly discuss the process for issuing right shares. Also, discuss the impact of issue of shares on balance sheet and wealth of existing shareholders.
3. X Co. Ltd. issued 60,000 equity shares of Rs. 10 each at a premium of Rs. 2.50 per share payable on application. The amount payable on allotment was fixed at Rs. 4 per share and an equivalent amount was due on a call to be made. Total applications received were for 1,10,000 shares and after consulting the stock exchange, the following scheme of allotment was decided upon:

Category	Number of shares applied	Number of shares allotted
A	70,000	42,000
B	35,000	14,000
C	5,000	4,000

It was decided that the excess money received on application would be utilized in payment of allotment money and call money. Show the necessary journal entries in the books of X Co. Ltd. assuming all money due were paid in time.

UNIT-II

4. A company has 10000, 11% redeemable preference shares of Rs. 100 each fully paid in its balance sheet. The company redeems the shares at 10% premium. For this purpose, it issued 50000 equity shares of Rs. 10 each at a premium of Rs. 2 per share and balance is made available from the accumulated profit (P & L A/c). The issue was fully subscribed. Give journal entries.
5. Discuss in detail the accounting procedure for redemption of debentures. Also discuss how the debenture redemption reserve is created and various avenues where it can be utilized.

UNIT-III

6. What do you mean by managerial remuneration? Write a detailed note on various provisions regarding managerial remuneration in the Companies Act and its accounting implications in Profit and Loss Account and Balance Sheet.
7. From the following Trial Balance of X Co. Ltd. as at 31st March, 2022, you are required to prepare the Trading and Profit and Loss Account for the year ended 31st March, 2022 and a Balance sheet as on that date after making the necessary adjustments.

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Miscellaneous Expenses	6000	Share Capital	80000
Plant and Machinery (01-04- 2021)	20000	S. Creditors	10000
Plant and Machinery (Additions as on 01-10-2021)	5000	Sales	120000
Opening stock	15000	Returns Outward	1000
Purchases	82000	Provision for doubtful debts	400
Returns Inwards	2000	Discounts	800
S. Debtors	20600	Rent of the premises sublet	1200
Furniture and Fittings	5000	Reserve fund	5000
Freight	2000		
Carriage outward	500		
Rent, rates and taxes	4600		
Printing and stationery	800		
Trade expenses	400		
Postage and telegrams	800		
Insurance charges	700		
Salaries and wages	21300		
Cash in hand	6200		
Cash at bank	25500		
Total	218400	Total	218400

Adjustment:

- Closing stock is valued at Rs. 14600.
- Insurance prepaid was Rs. 100.
- Rs. 2000 is to be transferred to reserve fund out of profits if any.
- Provide for depreciation on furniture and fixtures at 5% per annum.
- Write off Rs. 600 as Bad Debts.
- The provision for bad and doubtful debts is to be maintained at 5% on S. Debtors.

UNIT-IV

- What do you mean by a holding company? Write a detailed note on how to draw consolidated profit and loss account and balance sheet.
- What do you mean by corporate financial reporting? Write a detailed note on the recent trends in financial reporting in India.

NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.