2020

CORPORATE ACCOUNTING AND REPORTING (Honours)

Paper : COMMH - DC-5

(CBCS)

Full Marks : 32 Time : Two Hours

The figures in the margin indicate full marks.

Answer the following questions.

1. On 01.04.2017 P Ltd granted 2,000 options at Rs. 60. The market Price was Rs. 165 (face value being Rs. 10) 500 invested options ware lapsed on 30th June, 2019. 1,000 options were exercised on 30th Sept, 2020. Vesting period was 3 years and the maximum exercise period was one year. Show the entries, ledger accounts in the books of P Ltd. 8

Or

What do you mean by Buy-Back of Securities? What are its objectives ? 3+5

2. What is Alterations of Share Capital? Explain its different methods. 3+5

Or

A company has a paid-up Share Capital of Rs. 6,40,000 divided into 80,000 equity Shares of Rs. 10 each, Rs. 8 per Share Paid-up. The P&L Account shows a Credit balance of Rs. 2,80,000.

The Company decides to reduce paid up capital to Rs. 6 per share, Paid-up by paying off the necessary amount out of the accumulated profit. Give the appropriate journal entries and Balance Sheet. 4+4

3. Discuss the forms and contents of Balance Sheet and Profit and Loss account of a Company. 4+4

4. The following are the Balance Sheets of Sri Pavan for the year ended on 31-12-2018 and 31-12-2019 you are required to prepare a Cash Flow Statement with the help of those Balance Sheets and other information given to you. 8

Balance Sheets of Sri Pavan

Liabilities	31-12-2018 Rs.	31-12-2019 Rs.	Assets	31-12-2018 Rs.	31-12-2019 Rs.
Loan from wife	—	40,000	Cash	22,000	30,000
Bills Payable	24,000	16,000	Debtors	80,000	70,000
Creditors	50,000	1,04,000	Stock	50,000	60,000
Loan from Bank	86,000	1,20,000	Machinery	40,000	28,000
Capital	1,32,000	68,000	Loan and Building	1,00,000	1,60,000
	2,92,000	3,48,000		2,92,000	3,48,000

Additional Information :

(I) Net loss for the year 2019 Rs. 26,000

(II) During the year a machinery costing Rs. 10,000 (accumulated depreciation Rs. 4,000) was sold for Rs. 5,000. The provision for depreciation against machinery as on 31-12-2018 was Rs. 12,000 and 31-12-2019 Rs. 14,000.