

KHUDIRAM BOSE CENTRAL COLLEGE
INTERNAL ASSESSMENT, 2020
SUB: CORPORATE ACCOUNTING (Hons and General)
Semester V- Honours and General
Paper Code: 5.2 A for Honours And General
Date of Examination: 27.02.2021
Time of Examination: 1:00 pm – 1:30 pm
Full marks: 10 (Time: 30 minutes)

Answer any two

(5X2=10)

1. Sky Ltd. Granted 20000 options at Rs. 50 each to its employees under Employees Stock option Scheme. The face value of each option was Rs. 10 and its market price at that time was Rs.110. The vesting period was two years. All the employees exercised their options fully. Show the journal entries.
2. A company has issued Rs. 1200000 6% debentures at a discount of 6%, repayable over a period of 10 years at par by annual drawings of Rs.120000. Write up the Debenture account for the first three years.
3. A Ltd. Company having a paid-up capital of Rs.400000 divided into 40000 shares of Rs.10 each, fully paid, declares a bonus of Rs.480000 to the shareholders out of its general reserve. The bonus is to be satisfied by the issue of shares of Rs.10 each at a premium of Rs.2 per share.
Show journal entries.
4. On the basis of information given below calculate value of goodwill for Y Ltd. Under 3 years purchase of super profit method.
 - a) Average maintainable operating profit Rs.125000.
 - b) Paid-up share capital Rs.500000, Reserves and Surplus Rs 150000, 8% Debentures Rs.50000.
 - c) Normal Rate of Return is 10%.