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**B.Com. (Part - II) (Semester - III) (Revised) Examination,  
April - 2019**

**CORPORATE ACCOUNTING (Paper - I)**

**Sub. Code : 63107**

[10]

Day and Date : Saturday, 27 - 04 - 2019

Total Marks : 50

Time : 12.00 noon to 02.00 p.m.

- Instructions : 1) All questions are compulsory.  
2) Figures to the right indicate full marks.  
3) Use of calculator is allowed.

[10]

21) Parag Company Ltd. was registered with Nominal capital of Rs. 10,00,000 divided into 10,000 equity shares of Rs. 100 each. The Trial Balance of the company as on 31<sup>st</sup> March 2018 was as under -

[10]

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Particulars	Rs.	Particulars	Rs.
Land and Building	500,000	Equity Share Capital (Rs. 75 paid)	7,50,000
Plant & Machinery	8,00,000	Share premium	1,00,000
Investment	100,000	Depreciation Provisions	
Stock as on 31-3-2018	70,000	Land & Building	1,00,000
Bank Balance	23,800	Plant & Machinery	1,20,000
Income tax deducted at source	1,200	General Reserve	1,40,000
Establishment Expenses	52,000	6% Debentures	50,000
Rent & Taxes	2,400	Profit & Loss A/c (1-4-2017)	25,000
Debenture Interest	1,500	Sundry Creditors	60,000
Audit fees	9,000	Dividend (Gross)	11,200
Sundry Expenses	8,700	Gross profit	2,12,400
<b>Total</b>	<b>15,68,600</b>	<b>Total</b>	<b>15,68,600</b>

Additional Information :

- Depreciate land & building by 5% and plant & machinery by 15%
- Provision for taxation is to be made at 50% of profit.
- Directors propose to transfer Rs. 10,000 to General Reserve.
- Market value of investment as on the date of Balance Sheet Rs. 85,000

Prepare in vertical form

- Profit and Loss A/c for the year ending 31-3-2018 [10]
- Balance Sheet as on 31-3-2018 [10]

Q2) Answer any TWO of the following questions :

- Sunshine Ltd. invited applications for 20,000 equity shares of Rs. 100 each at a discount of Rs. 4 per share. The amount was to be paid as follows :

On application Rs. 20/-

On allotment Rs. 36/-

On first and final call Rs. 40/-

The public applied for 18,000 shares and these were allotted. All money due were collected with the exception of the first and final call on 2,000 shares and these were forfeited. 1,000 of these shares were reissued as fully paid for a payment of Rs. 80 per share.

Give Journal entries of above transactions in the books of sunshine Ltd. [10]

- The Sunil Industries Ltd., has issued on 1-1-2011 8% debentures for Rs. 5,00,000. The debentures were issued at a discount of 2% and they were redeemable at a premium of 5% after 5 years at the option of the company.

It was decided to create a sinking fund by transfer of Rs. 1,00,000 every years from appropriation account. An equal amount was to be invested in 8.5% Government securities at the end of every year. The interest was payable on 31<sup>st</sup> December, every year.

Prepare Sinking Fund Account and Sinking Fund Investment Account for three years only assuming that accounts are closed on 31<sup>st</sup> December, every year. [10]

- c) Modern Company Ltd. was incorporated on 1<sup>st</sup> May, 2018 to take over the business of Prakash Company Ltd. as a going concern from 1<sup>st</sup> January, 2018.

Profit & Loss A/c for the year ending 31<sup>st</sup> Dec., 2018

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Particulars	Rs.	Particulars	Rs.
To Rent & Taxes	12,000	By Gross profit b/d	1,55,000
To Insurance	3,000		
To Electricity charges	2,400		
To Salaries	36,000		
To Director Fees	3,000		
To Auditors Fees	1,600		
To Commission	6,000		
To Advertisement	4,000		
To Discount	3,500		
To Office Expenses	7,500		
To Carriage	3,000		
To Bank Charges	1,500		
To Preliminary Expenses	6,500		
To Bad Debts	2,000		
To Interest on Loan	3,000		
To Net Profit	60,000		
Total	1,55,000	Total	1,55,000

The total turnover for the year ending 31<sup>st</sup> December, 2018 was Rs. 5,00,000 divided into Rs. 1,50,000 for the period upto 1<sup>st</sup> May, 2018 & Rs. 3,50,000 for the remaining period.

Ascertain the profits earned prior to incorporation and after incorporation of the company. [10]

Q3) Write short notes (any two) [10]

- Forfeiture of shares.
- Redemption of Debenture.
- Pro-rata Allotment.
- Treatment for "Loss to Incorporation."





Seat No.	
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**B.Com. (Part - II) (Semester - IV) Examination,  
April - 2019**

**CORPORATE ACCOUNTING (Paper - II)**

Sub. Code : 63121

Total Marks : 50

Day and Date : Thursday, 11 - 04 - 2019

Time : 03.00 p.m. to 05.00 p.m.

- Instructions :
- 1) All questions are compulsory.
  - 2) Figures to the right indicate full marks.
  - 3) Use of calculator is allowed.

Q1) Sandip Ltd. and Sanjay Ltd. were two companies carrying on a similar type of business. Sanjay Ltd. agreed to absorb Sandip Ltd. on 1<sup>st</sup> April, 2016 when the Balance Sheet of Sandip Ltd. was as follows:

**Balance Sheet of Sandip Ltd.**

Liabilities	Rs.	Assets	Rs.
Paid up share capital: 80,000 Eq. Shares of Rs.10 each fully paid	8,00,000	Building	6,00,000
4000, 6% Preference Shares of Rs.100 each	4,00,000	Machinery	7,00,000
Profit & Loss a/c	3,60,000	Loose Tools	1,20,000
Sundry Creditors	2,80,000	Cash at Bank	80,000
		Stock	1,22,000
		Sundry Debtors	1,30,000
		Preliminary expenses	88,000
<b>Total</b>	<b>18,40,000</b>	<b>Total</b>	<b>18,40,000</b>

All the assets and liabilities except cash of Sandip Company Ltd. were taken over. Sanjay Ltd. agreed to pay purchase consideration as:

- a) Rs. 5 per share in cash and issue of 1,20,000 Equity Shares of Rs. 10 each at Rs. 11 per share as fully paid to Equity Shareholders of Sandip Ltd.

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- b) 6% Preference Shareholders of Sandip Ltd. by issue of 40,000 equity shares of Rs. 10 each at par as fully paid in full satisfaction of their claim.
- i) Calculate purchase consideration and prepare Realization A/c., Equity Share A/c. [10]
- ii) Prepare Preference Shareholders A/c., Equity Shareholders A/c., Cash A/c. and Sanjay Ltd. A/c. [10]

Q2) Attempt any two of the following A, B and C

- A) Manu Company Ltd. went into voluntary liquidation on 31<sup>st</sup> December 2016. The balance sheet as on that date was as follows:

Liabilities	Rs.	Assets	Rs.
Paid Up Capital: 4000 Preference Shares of Rs.100 each	4,00,000	Building	8,40,000
6000 Equity Shares of Rs.100 each	6,00,000	Machinery	2,00,000
8% Debentures	4,00,000	Stock	1,40,000
Sundry Creditors	3,20,000	Sundry Debtors	2,60,000
Bank Overdraft	1,00,000	Cash	40,000
		Vehicle	1,40,000
		Profit & Loss A/c.	2,00,000
	<b>18,20,000</b>		<b>18,20,000</b>

The sundry creditors includes Rs. 80,000 preferential. The liquidators remuneration was 5 % on the amount realized by him excluding cash and 2% on the amount paid to unsecured creditors including preferential creditors. The amount of liquidation expenses was stood at Rs. 8,000.

The liquidator realize the assets as follows,

1. Building Rs. 11,00,000
2. Machinery Rs. 1,20,000
3. Debtors Rs. 2,28,000
4. Stock Rs. 1,00,000
5. Vehicle Rs. 1,52,000

Show the Liquidators Final Statement of Account. [10]

- B) Dipa Ltd. and Laxmi Ltd. agreed to amalgamate and forma new company Diplaxmi Ltd. The authorized capital of the new company was Rs. 5,00,000 divided into equity shares of Rs. 10 each. The balance sheets of both the companies on the date of amalgamation were as follows:



## Balance Sheets

Liabilities	Dipa Ltd.	Laxmi Ltd.	Assets	Dipa Ltd.	Laxmi Ltd.
Equity Share capital of Rs. 10 each	4,00,000	2,80,000	Building	4,80,000	2,48,000
General Reserve	32,000	22,000	Machinery	1,20,000	Nil
P & L A/c	88,000	60,000	Debtors	1,60,000	1,80,000
Sundry Creditors	98,000	1,20,000	Stock	40,000	30,000
8% Debentures	2,00,000	Nil	Loose Tools	40,000	40,000
Bills Payable	22,000	16,000			
<b>Total</b>	<b>8,40,000</b>	<b>4,98,000</b>	<b>Total</b>	<b>8,40,000</b>	<b>4,98,000</b>

For the purpose of amalgamation, Dipalaxmi Ltd. assume all liabilities of both the companies and revalued the assets of Dipa Ltd. and Laxmi Ltd. as

Particular	Dipa Ltd.	Laxmi Ltd.
Building	5,60,000	2,60,000
Machinery	2,00,000	00
Debtors	1,40,000	1,60,000
Stock	32,000	32,000
Loose Tools	28,000	26,000
Goodwill	40,000	28,000

Calculate Purchase Consideration of both the companies and Prepare Realization A/c. in the books of Dipa Ltd. and Laxmi Ltd. [10]

C) The following is Balance Sheet of Sujit Company Ltd. as on 31<sup>st</sup> March 2017.

## Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital: 15000 Equity Shares of Rs.100 each	15,00,000	Land & Building	15,40,000
4000 8% Preference Shares of Rs. 100 each	4,00,000	Plant & machinery	17,60,000
General Reserve	7,00,000	Vehicles	4,50,000
Profit & Loss A/c.	5,00,000	Debtors	6,80,000
10% debentures	10,00,000	Stock	4,70,000
S. Creditors	8,00,000		
	<b>49,00,000</b>		<b>49,00,000</b>

The land & building and Plant & machinery are to be depreciated by 10% and vehicle by 20%. The stock is revalued at Rs. 4,45,000 and Debtors subject to a provision for bad debts of Rs. 80,000.

The profits for the last five years were as :2012-13 Rs. 4,30,000, 2013-14 Rs. 4,70,000 , 2014-15 Rs. 5,00,000, 2015-16 Rs.6,00,000 and 2016-17 Rs. 6,45,000. The taxation provision is to be made at 50% and a profit earning capacity of similar company's show 10%.

Find out I) Intrinsic value II) Market Value and III) Fair Value of the equity shares. [10]

Q3) Write short notes (Any two) [10]

- a) Important Features of Tally
- b) Valuation of Shares
- c) Generation of Accounting Reports
- d) Preferential Creditors

