

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE (B. COM)
EXAMINATION: DECEMBER- 2024
THIRD SEMESTER
Sub.: Corporate Accounting (BCOM19-202)

Date: 03/12/2024

Total Marks: 100

Time: 2.00 pm to 5.00 pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. (A) Fill in the blanks (Any 5) (10)

1. Pre- incorporation profits is to be credited to -----.
a) Profit & loss a/c above the line b) Profit & loss a/c below the line
c) Capital reserve d) None
2. In every winding up, a ----- is appointed to administer the property of the company.
a) Accountant b) Clerk
c) Liquidator d) Company secretary
3. Creditors comes under --- heading in company final account.
a) Reserve & surplus b) Loan & advances
c) Current liability d) None
4. Unclaimed dividend is a -----.
a) Current asset b) Current liability
c) Fixed asset d) General reserve
5. When share are issued for face value less than their face value it is called shares issued at ----
a) Discount b) Par
c) Premium d) None
6. The lumpsum price to be paid for the purchase of business is known as -----.
a) Net asset method b) Net payment method
c) Lumpsum method d) None
7. ----- suggest rules and criteria of accounting measurement.
a) Accounting rules b) Accounting standards
c) Accounting policies d) Accounting principal

(B) State whether the following statements are true or false (any 5) (10)

1. Bank account is debited when application money is received.
2. Amalgamation & absorption are one and same.
3. A subsidiary company cannot acquire shares in the holding company.
4. Accounting standard 4 is stand for valuation of inventories.
5. Liabilities taken over by the new company are not transferred to the realization account.
6. Preference shareholders have preference over the equity shareholders in respect of receiving dividend.

7. Dividends are usually paid on paid-up capital.

Q. 2. (A) Rahul industries Ltd. was registered with authorized capital of Rs.500,000. Company issued 25000 shares of Rs. 10 each payables as follows. **(20)**

Rs. 2.50 on Application

Rs. 3.00 on Allotment

Rs. 2.00 on First call

Rs. 2.50 on Final call

The application were received for 30,000 company allotted only 25000 share to the public & remaining shares application money refunded. All the amount due was received with the exception of Mr. Raman who was allotted 200 shares. did not pay the first call and final call money.

And this shares were forfeited & reissued as fully paid for a payment of Rs 5 per share. Make entries in the journal of the company.

OR

(B) Shyam & Co. and Sunder & Co. carrying on business decided to amalgamate as from 1st April 2001. Their balance sheet of Shyam & Co. Ltd.

Balance sheet of Shyam and co.

Liabilities	Amount	Assets	Amount
Share capital: 2000 sh. of Rs-100 each Rs-80 paid up	160000	Goodwill	20700
Reserve fund	2000	Land and building	80000
P&L a/c	24000	Plant & machinery	55000
Debentures	29000	Motor car	20000
Creditors	15000	stock	27800
		debtors	8400
		cash	18100
Total	230000	Total	230000

Balance sheet of Sunder and co.

Liabilities	Amount	Assets	Amount
Share capital: 3000 sh. of Rs-100 each Rs-40 paid up	120000	Land and building	67000
Debentures	40000	Plant and machinery	50000
Creditors	46000	cash	19300
		P & L	10000
		stock	46000
		debtors	13700
Total	206000	Total	206000

The authorized capital of combine co. that is Shyam and Sunder is 400000. The asset and liabilities of both the companies are taken over as follows:

- 1) In case of Shyam and co. goodwill is valued at twice of average profit of last 3 years i.e. 20400; 25000. Plant and machinery and motor car depreciated by 15000 and 200 respectively. Stock valued 34050; discount on creditors 5%
- 2) In case of Sunder and co. land and building were taken at Rs-80000, plant and machinery 45000, no payment for goodwill.
- 3) The consideration paid for Shyam and co. was in fully paid shares of shyam , sunder and co. and sunder and co. was to be allotted 1000 fully paid shares as the part of purchase consideration and balance in cash Draft the necessary ledger a/c and opening balance sheet of new company.

- Q. 3. (A)** Akash Ltd. went into voluntary liquidation as on 31/12/2024, on which date its Balance sheet was as follows: **(10)**

Balance - Sheet

Liabilities	Rs.	Assets	Rs.
Share capital 4800 eq. sh. of Rs 50	2,40,000	Land & Building	90,000
Unsecured loan	22,000	Plant & machinery	1,56,000
Creditors:- Partly secured Pref. creditors Unsecured	70,000 4100 38,900	Stock	42,000
		Debtors	32,000
		Cash in hand	10,000
		P & L a/c	45,000
	3,75,000		3,75,000

The liquidator realized the assets as follows.

- 1) Land & building Rs. 65,000 (which was used for paying partly secured creditors), Plant & machinery Rs 1,02,000 stock Rs 31,000, debtors Rs. 22,000, cash Rs. 10,000.
- 2) The liquidation expenses amounted to Rs. 2200/-.
- 3) The liquidators remuneration was fix 2% on asset including cash and 5% on the amount return to shareholder you are required to prepare the liquidators final statement A/c.

- (B) Write short notes. (Any 4)** **(20)**

- | | |
|------------------|-----------------------|
| 1. Fixed Assets | 4. Shares |
| 2. Amalgamations | 5. Unclaimed dividend |
| 3. liquidation | 6. Authorized capital |

- Q. 4. Solve the following problem (Any 2)** **(30)**

1. Explain different types of Share
2. The following is the Profit & loss account for the year ended 31/3/2023 of Ajay & co.ltd.

Particulars	Rs.	Particulars	Rs.
To Opening stock	240,000	By Sales	6,00,000
To Purchase	3,50,000	By closing stock	1,40,000
To G. P,	1,50,000		
	7,40,000		7,40,000
To Administration expenses	36,000	By G. P,	1,50,000
To director's fees	6000		
To selling expenses	72,000		
To Audit fee	2,000		

To Preliminary expenses	6,000		
To Net profit	28,000		
	1,50,000		1,50,000

You are required to prepare a statement showing the profit earned prior to and after incorporation

3. Balance - sheet of Sachin Ltd as on 31st March 2024

Liabilities	Rs.	Assets	Rs.
Share capital 4000 5% pref. of Rs 100 each 8000 equity sh. of Rs 100 each	4, 00,000 8, 00,000	Goodwill	30,000
6% Debentures	2, 00,000	Freehold property	4, 00,000
Bank O/d	100,000	Machinery	6, 00,000
Creditors	2, 00,000	Stock	100,000
		Debtors	80,000
		P & L a/c	4, 80,000
		Cash	10,000
	17, 00,000		17, 00,000

Following capital reduction is approved by court.

- 1) Pref. shares reduced to Rs 75
- 2) Eq. shares reduced to Rs 40 fully paid up.
- 3) Debenture holder's took stock and debtors in full satisfaction of amount due to them.
- 4) P & L and goodwill written off.
- 5) Free hold property to be increased by 30%.
- 6) Machinery to be depreciated by 33.33%.
- 7) Expenses of reconstruction mounted to Rs.6000.

You are required to prepare capital reduction A/c and Balance sheet as on that date

4. Explain different types of capital .
