

R/E (60:40)

R-2016-17 till 2020-21

E-2016-17 till 2019-20

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BACHELOR OF COMMERCE (B.COM.)

EXAMINATION- MAY 2022

SECOND/THIRD SEMESTER

Sub.: Corporate Accounting (BCOM19-202/BCC-301)

Date: 24/05/2022

Total Marks: 60

Time: 10.00 am to 12.30 pm

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

Q.1(a) Fill in the blanks (Any 5) (05)

- 1 Share premium is ----- profit
 - a) capital
 - b) Fixed
 - c) Revenue
 - d) None of these
- 2 The company whose shares are held is called -----
 - a) Holding company
 - b) co-operative society
 - c) subsidiary company
 - d) Joint stock company
- 3 Joint stock company is ----- person created by law
 - a) Natural
 - b) Artificial person
 - c) Legal
 - d) None of the above
- 4 Two important ratio in the calculation of profit prior to incorporation are ----- and -----
 - a) sales ratio and time ratio
 - b) current asset ratio and current liability ratio
 - c) net profit ratio and gross profit ratio
 - d) None of these
- 5 ----- capital register with the registrar of the company
 - a) Subscribed
 - b) Issued
 - c) Authorized
 - d) Paid up capital
- 6 The primary objective of AS-2 is -----
 - a) Depreciation
 - b) Accounting for inventories
 - c) Disclosure of accounting policies
 - d) Cash at bank
- 7 Debtors comes under ----- heading in company final account
 - a) Current assets
 - b) Current liabilities
 - c) Fixed assets
 - d) Investment

Q.1(b) State whether the following statement are true or false (any 5) (5)

1. Preference shareholder are the owners of the company
2. Liquidation is winding up of company
3. Accounting standards 5 deals with disclosure of accounting policies
4. Bank account credited when excess application money refund
5. Salesman commission is paid in sales ratio in profit prior to incorporation
6. Issued capital is the part of paid up capital
7. Unclaimed dividend is current liability

Q.2(a) Global manufacturing company Ltd. issued for public subscription 20,000 shares of Rs- 10 (20)

each at a premium of Rs- 2 per share payable as under

On application Rs- 2

On allotment Rs- 5 (including premium)

On first call Rs- 2

On second call Rs- 3

Applications were received for 30,000 shares. Company allotted 24000 shares to the applicants remaining 6000 shares being refused and application money was refunded.

All the amounts were duly received except from A to whom 800 shares allotted. He fails to pay the amount due on second call.
Pass the necessary journal entries.

OR

Q.2(b) Prakash co Ltd. and Kiran co. Ltd. carry on business of similar nature. They agree to amalgamate and form new co. Ravi co. Ltd. to take over the business of these companies as on 31st march 2014

Balance sheet

Liability	Prakash co.	Kiran co.
Eq. share capital Rs-10 each	40,000	50,000
Pref. share capital 100 each	20,000	25,000
P& L account	18,000	30,000
Creditors	14,000	25,000
Total	92,000	1,30,000
Assets		
Building	20,000	-
Plant and machinery	15,000	50,000
Goodwill	-	10,000
Stock	11,000	25,000
Debtors	40,000	40,000
Cash	4400	2500
Preliminary expenses	1600	1,000
Prepaid expenses	-	1500
Total	92,000	1,30,000

Ravi Ltd. agree to pay Rs- 75,000 to Prakash Ltd. by issue of 7000 Equity shares of Rs- 10 each at par as fully paid and by paying balance in cash.

Preference shareholder of Prakash co. Ltd agrees to receive 1950 share in full satisfaction of their claim.

All assets and liabilities were taken over at book value except debtors which subject to provision 5% liquidation expenses amount to Rs- 1000

In respect of Kiran co Ltd. it was agreed the assets revalue as stock 27500, debtors 10 % provision, goodwill book value, machinery 55,000; out of cash Rs- 1500 taken over and 10000 left with Kiran co. ltd. formatting liquidation expenses, pref. share holder redeemed 10% pref. shares of Rs- 100 each. Balance of purchase consideration was to be satisfied by issue to Eq. shares of Rs- 10 each.

Prepare necessary ledger accounts

Q.3(a) Apple Ltd. went into liquidation as on 31st March 2021 when its balance sheet was as follows. **(10)**

Balance sheet

Liabilities	Amount	Assets a	Amount
Authorized capital 30,000 shares at 10 each	<u>300,000</u>	Goodwill	20,000
Subscribed and paid up Capital 9400 shares at 10	94,000	Leasehold property	27,000
<u>Sundry creditors :</u>		Machinery	76000
Pref. share	3700	Vehicles	15000
Partly secure	30400	Stock	41000
Unsecured	70900	Sundry debtors	37000
Bank old unsecured	45,000	Cash in hand	7000
		Profit and loss account	21000
Total	2,44,000	Total	2,44,000

The liquidator realized the assets as follows:

- 1) Leasehold property which was used to pay partly secured creditors realized Rs- 22000
- 2) Machinery Rs- 64000, Vehicles Rs- 10,000, Stock Rs- 60,000, Debtors Rs- 35,000.

- 3) The expenses of liquidation amounted to Rs- 1900 and liquidators remuneration was fix at 3% on assets realized excluding cash and 10% on the amount return to the shareholders.

You are required to prepare the liquidators final statement of account.

Q.3(b) Write short notes. (Any 2)

(05)

- 1) Types of share capital
- 2) Modes of winding up
- 3) Accounting standard 1
- 4) Explain capital profit and minority interest.

Q.4(a) Balance sheet as on 31st March 2020

(15)

Liabilities	X Ltd	Y Ltd	Assets	X Ltd	Y Ltd
Share capital	600,000	300,000	Fixed assets	4,00,000	1,00,000
General reserve	40,000	10,000	Investment (1550 shares in B Ltd)	308,000	-
Profit and loss a/c	70,000	20,000	Current assets	1,72,000	220,000
Current liabilities	1,70,,000	90,000			
	8,80,000	4,20,000		8,800,000	4,20,000

A Ltd acquire shares in B Ltd as on 1st April 2020, on 1st Jan 2021 G.R was Rs- 1000, profit and loss Rs- 10,000

Show capital profit and revenue profit

OR

Q.4(b) STAR pvt. Ltd was incorporated on 1st July 2020 to take over the running business of Mr. Moon with effect from 1st April 2020 the following profit and loss account for the year ended 31st march 2021 was drawn up

Particulars	Amount p	Particulars	Amount
To commission	2625	By gross profit	98000
To advertisement	5250	By bad debts realized	500
To M.D's remuneration	9000		
To depreciation	2800		
To salaries	18000		
To insurance	600		
To preliminary expenses	700		
To rent and taxes	3000		
To discount	350		
To bad debts	1250		
To net profit	54925		
	98500		98500

The following details are available

- 1) The average monthly turnover from July 2020 onwards was double than that of previous months.
 - 2) Rent for the first three months was paid at Rs- 200 p.m. and thereafter at a rate increased by Rs- 50 p.m
 - 3) Bad debts Rs- 350 related to sales effected after 1st September 2019 and the realization of bad debt was in respect of debts was in respect of debts written off during the year
 - 4) Advertisement expenses were directly proportionate to the sales
- You are required to find out profit prior to incorporation.