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BACHELOR OF COMMERCE (B.COM.)
EXAMINATION- MAY 2022
THIRD SEMESTER
Sub.: Corporate Accounting (BCOM19-202)

Date: 24/05/2022

Total Marks: 100

Time: 10.00 am to 1.00 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 Dividend are usually paid on -----.
 - a) Authorized capital
 - b) Issued capital
 - c) Paid-up capital
 - d) Called-up capital
- 2 ----- share holders are the owner's of the company.
 - a) Equity
 - b) Preference
 - c) Debenture
 - d) Participating preference
- 3 Purchase consideration = Asset taken over-(-----)
 - a) Depreciation
 - b) Liabilities taken over
 - c) Capital
 - d) Debentures
- 4 ----- capital registered with the registrar of company.
 - a) Issued
 - b) Subscribed
 - c) Authorized
 - d) Paid-up
- 5 The primary objectives of ----- is accounting for inventories.
 - a) Accounting standard - 1
 - b) Accounting standard - 2
 - c) Accounting standard - 5
 - d) Accounting standard - 6
- 6 Post incorporation profit transferred to -----.
 - a) Net Profit
 - b) Capital Profit
 - c) Gross Profit
 - d) National Profit
- 7 In compulsory winding up, it is required to pass ---- resolution.
 - a) Special
 - b) Ordinary
 - c) Resolution with 2/3rd majority
 - d) Noneof shares

Q. 1 (b) State whether the following statement are true or false (any 5) (10)

- 1 Company is a artificial person created by law.
- 2 As - 5 accounting standard deals with net profit or loss for the period, prior period item and changes in accounting policies.
- 3 A company has to provide for depreciation of its "current assets" .
- 4 "Declaration of solvency" is to be filed in case of "Members" voluntary winding up..
- 5 Liabilities not taken over by the new company are not transferred to the realization A/c.
- 6 The company can carry forward accumulated losses for taxation purpose in the case of internal reconstruction.
- 7 A subsidiary company cannot acquire shares in the holding company.

- Q. 2 (a)** ABC Ltd. having an authorized capital of 4000 shares of Rs 20 each: **(20)**
 Issued 3000 shares at Rs. 24 each
 The application was received for 4000 shares. The amounts were
 Called as under:-
 Application money Rs 5
 Allotment money Rs 10 (including premium)
 First call Rs 4
 Final call Rs 5
 The directors refunded the application money on 1000 shares.
 All the amounts were received except the following:-
 Mr. A. holding 100 shares did not pay first & final call.
 Mr. B holding 200 shares did not pay final call.
 Pass necessary journal entries in the books of ABC Ltd.

OR

- Q. 2 (b)** Following was the Balance Sheet of XY Ltd. as on 31-12-2021.

Balance sheet of X Ltd.

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Share Capital:			Land and Building		70,000
1000 shares of Rs. 100 each	1,00,000		Plant & Machinery		55,000
Less: Calls in arrears	<u>1,000</u>	99,000	Stock		49,000
General Reserve		32,000	Debtors		21,000
Profit & Loss A/c		30,000	Cash in Hand		7,200
Bills Payable		21,200	Advertising Suspense A/c		15,000
Creditors		35,000			
		<u>2,17,200</u>			<u>2,17,200</u>

X Ltd. was absorbed by Y Ltd. on the following terms.

1. X Ltd. agreed to write off Advertising Suspense Account against its own reserves.
2. Out of the unpaid calls, Y Ltd. received Rs. 400 and remaining calls of Rs. 600 were proved irrecoverable.
3. Y Ltd. revalued the assets, of X Ltd, as under : Land and Building Rs.75,000; Plant and Machinery Rs.52,000; Stock Rs. 60,000 and Debtors at Book value.
4. Y Ltd. took over the business of X Ltd. and agreed to discharge the purchase consideration into 1,300 shares of Rs. 100 each at Rs. 110 per share and the balance in cash.
5. X Ltd. paid its liquidation expenses of Rs. 2,000 Prepare Realisation Account, Y Ltd. Account, Y Ltd. Account, Cash Account and Shareholders Account in the book of X Ltd. and Pass the acquisition entries in the book of Y Ltd.

- Q. 3 (a)** Don co. Ltd. went into voluntary liquidation as on 31/12/2021, on which date its Balance sheet was as follows. **(10)**

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Authorized capital (30,000 sh. at 10 each)	3,00,000	Goodwill	20,000
Subscribed & paid up:- 9400 sh. at 10 each	94,000	Leasehold property	27,000
Sundry Creditors:- Preference share Partly secure Unsecured	3,700 30,400 70,900	Machinery	76,000
Bank old unsecured	45,000	Vehicles	15,000
		Stock	41,000
		Sundry debtors	37,000
		Cash in hand	7,000
		P & L A/c	21,000
	2,44,000		2,44,000

The liquidator realized the assets as follows.

- 1) Leasehold property which was used to pay partly secured creditors realized Rs 22,000
- 2) Machinery Rs 64,000 Vehicles Rs 10,000; Stock Rs 60,000; Debtors Rs 35,000
- 3) The expenses of liquidation amounted to Rs 1900/- and liquidator's remuneration was Fix at 3% on asset realized excluding cash and 10% on the amount return to the Shareholders.

You are required to prepare the liquidator's final statement A/c.

Q. 3 (b) Write short notes. (Any 4)

(20)

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|---------------------------|----------------------------|
| 1) Accounting standard- 1 | 2) Format of Balance sheet |
| 3) Modes of winding up | 4) Merger and acquisition |
| 5) Minority Interest | 6) Capital Profit |

Q. 4 Solve the following problem (Any 2)

(30)

1. Lotus co. ltd. went into voluntary liquidation as on 31/12/2021 on which date its Balance sheet was as follows.

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Authorized capital (15,000 sh. at 10 each)	1,50,000	Goodwill	10,000
Subscribed & paid up:- 4700 sh. at 10 each	47,000	Leasehold property	13500
Sundry Creditors:- Preference share Partly secure Unsecured	1,850 15,200 35450	Machinery	38,000
Bank old unsecured	22500	Vehicles	7500
		Stock	20500
		Sundry debtors	18500
		Cash in hand	3500
		P & L A/c	10500
	1,22,000		1,22,000

The liquidator realized the assets as follows.

- 1) Leasehold property which was used to pay partly secured creditors realized Rs 11,000
- 2) Machinery Rs 32,000 Vehicles Rs 5,000; Stock Rs 30,000; Debtors Rs17500
- 3) The expenses of liquidation amounted to Rs 950/- and liquidator's remuneration was Fix at 3% on asset realized excluding cash and 10% on the amount return to the Shareholders.

You are required to prepare the liquidator's final statement A/c.

2. Explain Liquidation in detail.
 3. What is Purchase consideration and how it is calculated
 4. Define Share and explain its types of shares in detail
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