R/E (60:40)

R-2016-17 till 2022-23

E-2016-17 till 2019-20

TILAK MAHARASTRA VIDYAPEETH, PUNE **BACHELOR OF COMMERCE (B.COM.)**

EXAMINATION- DECEMBER 2022 SECOND/THIRD SEMESTER

Sub.: Corporate Accounting (BCOM19-202/BCC-301)							
Date: 6/12/2022		22 Total Mar	ks: 60	Time: 2.00 pm to 4.30 pm			
Inst	ructions:	1) All questions are compulsory.	2) Figures to the right	ht indicate full marks.			
Q.1(a)		ne blanks (Any 5)			(05)		
1	_	Two important ratio in the calculation of profit prior to incorporation are and					
	· ·	ratio and time ratio	•	and current liability ratio			
	_	ofit ratio and gross profit ratio	d) None of these				
2		pital register with the registrar of th					
	a) Subso		b) Issued				
	c) Autho		d) Paid up capital				
3	_	nary objective of AS-2 is					
	a) Depre		b) Accounting for in	nventories			
		osure of accounting policies	d) Cash at bank				
4		comes under heading in comp	•				
	a) Curre		b) Current liabilities	8			
	c) Fixed		d) Investment				
5	Share pro	emium is profit					
	a) capita		b) Fixed				
	c) Reven		d) None of these				
6	The company whose shares are held is called						
	a) Holdi	ing company	b) co-operative soc	iety			
		diary company	d) Joint stock comp	pany			
7		ck company is person created	l by law				
	a) Natur	ral	b) Artificial	•			
	c) Legal		d) None of	the above			
Q.1(b)	State wh	nether the following statement are	e true or false (any 5)		(5)		
1		ce shareholder are the owners of the	e company				
2	-	ion is winding up of company					
		ing standards 5 deals with disclosur		es s			
4	Bank account credited when excess application money refund						
5		n commission is paid in sales ratio i	n profit prior to incorp	oration			
6 7		apital is the part of paid up capital ed dividend is current liability					
Q.2(a)	at a pren On appli On alloti	ufacturing company Ltd. issued for nium of Rs- 2 per share payable as a cation Rs- 2 ment Rs- 5 (including premium) call Rs- 2		000 shares of Rs- 10 each	(20)		

On second call Rs- 3

Application were received for 60,000 shares. Company allotted 48000 shares to the applicants remaining 12000 shares being refused and application money was refunded. All the amounts were duly received except from A to whom 1600 shares allotted. He fail 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 2022

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 revalued 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. For meeting 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) Moon Ltd. went into liquidation as on 31st March 2022 when its balance sheet was as follows.

Balance sheet

Liabilities	Amount	Assets a	Amount
Authorized capital	300,000	Goodwill	20,000
30,000 shares at 10 each			
Subscribed and paid up	94,000	Leasehold property	27,000
Capital 9400 shares at 10			
Sundry creditors:		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

(10)

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 Purchase Consideration

Q.4(a) Balance sheet as on 31st March 2022

(15)

Liabilities	A ltd	B ltd	Assets	Rs	Rs
Share capital	300,000	1,50,000	Fixed assets	2,00,000	1,00,000
General reserve	20,000	5,000	Investment (1550	1,54,000	-
			shares in B Ltd)		
Profit and loss a/c	35,000	10,000	Current assets	86,000	1,10,000
Current liabilities	85,000	45,000			
	4,40,000	2,10,000		4,40,000	2,10,000

A Ltd acquire shares in B Ltd as on 1st April 2022, on 1st Jan 2022 G.R was Rs- 1000, profit and loss Rs- 5000

Show capital profit and revenue profit

OR

Q.4(b) Fairy pvt. Ltd was incorporated on 1st July 2021 to take over the running business of Mr. Horse with effect from 1st April 2021 the following profit and loss account for the year ended 31st march 2022 was drawn up

Particulars	Amount p	Particulars	Amount
To commission	5250	By gross profit	196000
To advertisement	10500	By bad debts realized	1000
To M.D's remuneration	18000		
To depreciation	5600		
To salaries	36000		
To insurance	1200		
To preliminary expenses	1400		
To rent and taxes	6000		
To discount	700		
To bad debts	2500		
To net profit	109850		
	197000		197000

The following details are available

- 1) The average monthly turnover from July 2021 onwards was double than that of previous months.
- 2) Rent for the first three months was paid at Rs- 400 p.m. and thereafter at a rate increased by Rs- 100 p.m
- 3) Bad debts Rs-700 related to sales effected after 1st September 2020 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.