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BACHELOR OF COMMERCE (B.COM.)
EXAMINATION- MAY 2023
THIRD SEMESTER
Sub.: Corporate Accounting (BCOM19-202/BCC-301)

Date: 27/ 05/2023

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 The primary objectives of ----- is accounting for inventories.
 - a) Accounting standard - 1
 - b) Accounting standard - 2
 - c) Accounting standard - 5
 - d) Accounting standard - 6
- 2 Post incorporation profit transferred to -----.
 - a) Net Profit
 - b) Capital Profit
 - c) Gross Profit
 - d) National Profit
- 3 In compulsory winding up, it is required to pass ---- resolution.
 - a) Special
 - b) Ordinary
 - c) Resolution with 2/3rd majority of shares
 - d) None
- 4 Dividend are usually paid on -----.
 - a) Authorized capital
 - b) Issued capital
 - c) Paid-up capital
 - d) Called-up capital
- 5 ----- share holders are the owner's of the company.
 - a) Equity
 - b) Preference
 - c) Debenture
 - d) Participating preference
- 6 Purchase consideration = Asset taken over-(-----)
 - a) Depreciation
 - b) Liabilities taken over
 - c) Capital
 - d) Debentures
- 7 ----- capital registered with the registrar of company.
 - a) Issued
 - b) Subscribed
 - c) Authorized
 - d) Paid-up

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

(10)

- 1 Liabilities not taken over by the new company are not transferred to the realization A/c.

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

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 were received for 4000 shares. The amounts were called as under:-

Application money Rs 5

Allotment money Rs 10 (including premium)

First call Rs 5

Final call Rs 4

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 X Ltd. as on 31-12-2022.

Balance sheet of XY 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)** Swift co. ltd. went into voluntary liquidation as on 31/12/2015, on which date it's 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:-		Machinery	76,000
Preference share	3,700		
Partly secure	30,400		
Unsecured	70,900		
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)**

- | | |
|---------------------------|---------------------------|
| 1) Accounting standard- 1 | 2) Minority Interest |
| 3) Modes of winding up | 4) Accounting standard- 5 |
| 5) Paid –up -capital | 6) Liquidation |

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

1. The Following Balance Sheets are presented to you 31-12-21

Balance sheet

Liabilities	'H' Ltd	'P' Ltd	Assets	'H' Ltd	'P' Ltd
Share capital: Equity Shares of Rs. 100 each	5,00,000	2,00,000	Fixed Assets	3,50,000	1,50,000
General Reserve	1,00,000		Stock	90,000	40,000
P & L A/c	80,000		6% Deb. in 'S' Ltd.	60,000	
6% Debentures		1,00,000	Shares in 'S' Ltd. (1500 at Rs. 80 each)	1,20,000	
Trade Creditors	75,000	45,000	Cash	75,000	25,000
			Debtors	60,000	30,000
			P& L A/c		1,00,000
TOTAL	7,55,000	3,45,000	TOTAL	7,55,000	3,45,000

Further details.

- 'H' ltd. acquires the shares on 1st May 21
- P & L of 'S' Ltd. show a Debit balance of Rs. 1,50,000 as on 1st Jan. 21 during March goods costing Rs. 6000 were destroyed and insurance C. paid Rs. 2000 only.
- Trade Creditors of 'S' Ltd. include Rs. 20,000 for goods supplied by 'H' Ltd. on which 'H' Ltd. made a profit on 2000. Half of the goods still in stock.

Prepare consolidated balance Sheet

- Explain Purchase consideration.
- Ajay and Atul working in partnership registered a joint stock co. under the name of 'Music co. ltd.' on 1st Sept. 2014 to take over there existing business with effect from 1st April 2014. or profit & loss A/c for the year ended 31/3/2015

Particulars	Rs.	Particulars	Rs.
To Salaries & Wages	10,000	By Gross Profit b/d	84,000
To Debenture interest	5,000		
To Depreciation	2,000		
To interest on purchase consideration (upto 30.9.2014)	10,800		
To selling commission	12,000		
To Director's fees	800		
To Preliminary exps written off	1,000		
To provision for tax	5,000		
To dividend on equity shares at 5%	6,000		

To bal c/d	31,400		
	84,000		84,000

Sales for the year total Rs 2,25,000 out of which Rs 1,50,000 related to the period from 1st Sept. 2014 to 31st march, 2015.

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

4. Explain types of shares .
