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BACHELOR OF COMMERCE (B. COM)
EXAMINATION: MAY 2024
THIRD SEMESTER
Sub.: Corporate Accounting (BCOM19-202)

Date: 17/05/2024

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. 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
2. 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
3. ----- suggest rules and criteria of accounting measurement.
 - a) Accounting rules
 - b) Accounting standards
 - c) Accounting policies
 - d) Accounting principal
4. Creditors comes under --- heading in company final account.
 - a) Reserve & surplus
 - b) Loan & advances
 - c) Current liability
 - d) None
5. Unclaimed dividend is a -----.
 - a) Current asset
 - b) Current liability
 - c) Fixed asset
 - d) General reserve
6. 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
7. In every winding up, a ----- is appointed to administer the property of the company.
 - a) Accountant
 - b) Clerk
 - c) Liquidator
 - d) Company secretary

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

1. Preference shareholders have preference over the equity shareholders in respect of receiving dividend.
2. Dividends are usually paid on paid-up capital.

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

Q. 2. (A) Rakesh 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. Raju 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) 'X' co. and 'Y' co. agree to combine aqnd from a new co. 'X& y' with the capital of Rs20,00,000.

The new co. is to take up whole assets and liabilities of both companies on a consideration to issue to 'X' co. ltd Rs 10,00,000 and 'Y' co. ltd Rs800,000 in fully share paid Rs 10 per share.

A new co. is to pay liquidation expenses of vendor company 'X' co. ltd Rs12,000/- and 'Y' co. ltd Rs 10,000 and new company paid its formation expenses Rs 15000/-. These amount being charged to capital reserve a/c on the date of amalgamation. The B/s in the books of vendor companies are as follows.

Particular	'X' ltd.	'Y' ltd
Issued, Subscribed & paid up		
Capital	9,00,000	7,00,000
Reserve fund	1,00,000	80,000
Creditors	75,000	60,000
P & L a/c (credit bal)	40,000	35,000
Goodwill	1,00,000	85,000
Land & Building	2,50,000	2,00,000
Plant & Machinery	6,70,000	5,30,000
Debtors	50,000	35,000
Stock in trade	20,000	10,000
Bank balance	25,000	15,000

The amalgamation is dully completed the various assets & liabilities being taken over at the book value prepare necessary accounts in the books of 'X' ltd. and balance sheet of 'X & Y ltd.

- Q. 3. (A)** 'Y' Ltd. went into voluntary liquidation as on 31/12/2023, on which date it's 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:-		Stock	42,000
Partly secured	70,000		
Pref. creditors	4100		
Unsecured	38,900		
		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)**

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|---------------------------|-----------------------|
| 1. Modes of winding up | 4. Capital reduction |
| 2. Accounting standard- 2 | 5. Authorized capital |
| 3. Liabilities | 6. Fixed Assets |

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

1. The following is the profit & loss account for the year ended 31/3/2015 of Vaishali & Co.Ltd.

Particulars	Rs.	Particulars	Rs.
To Opening stock	1,20,000	By sales (up to 30/6/2014 Rs. 1,00,000	3,00,000
To purchase	1,75,000	By closing stock	70,000
To G. P,	75,000		
	3,70,000		3,70,000
To Administration exps	18,000	By G. P,	75,000
To director's fees	3000		
To selling exps	36,000		
To Audit fee	1,000		

To Preliminary exps	3,000		
To Net profit	14,000		
	75,000		75,000

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

2. Balance sheet of Sagar Ltd as on 31/12/15.

Liabilities	Rs.	Assets	Rs.
Share capital 2000 5% pref. of Rs 100 each 4000 equity sh. of Rs 100 each	2,00,000 4,00,000	Goodwill	15,000
6% Debentures	1,00,000	Freehold property	2,00,000
Bank O/d	50,000	Machinery	3,00,000
Creditors	1,00,000	Stock	50,000
		Debtors	40,000
		P & L a/c	2,40,000
		Cash	5,000
	8,50,000		8,50,000

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.3000.

You are required to prepare Capital Reduction A/c and Balance sheet as on that date

3. Explain different types of Shares .
4. Explain different types of Capital .