

**B.Com. (Part—II) Examination**  
**CORPORATE ACCOUNTING**  
**(Commerce)**

Time : Three Hours]

[Maximum Marks : 70

1. (A) Baban Company Ltd. has issued 3,75,000 Equity Shares of Rs. 100 each at par and called the amount as under : On Application Rs. 20 each, on Allotment Rs. 20 each, on First Call Rs. 30 each, on Final Call Rs. 30 each.

Manoj who holds 750 Shares has not paid First and Final Call money. So his shares are forfeited, all forfeited shares are reissued at Rs. 90 per share as fully paid. Pass journal entry of forfeiture and reissue. 3

- (B) The Anil Company Ltd. has issued 1,50,000 Equity Shares of Rs. 100 each on the premium of Rs. 20 each and called the amount as follows :

On Application Rs. 20 each, on Allotment Rs. 40 each (with premium), on First Call Rs. 30 each, on Final Call Rs. 30 each. All Shares are subscribed and called up and paid up; prepare Capital Account. 3

- (C) Nagpur Co. Ltd. has issued 7,50,000 Shares having face value of Rs. 100 each at 5% discount, amounts are called as follows :

On Application Rs. 45, remaining on allotment at discount, application received 6,75,000 Shares which are fully called up and paid up. Pass journal entry in the books of Nagpur Company Ltd. 4

- (D) According to the provision of Modern Co. Act which types of shares can be issued by the company ? 4

**OR**

- (E) Amit Company Ltd. issued 1,05,000 Equity Shares @ Rs. 10 each, the amount called as under :

On Application Rs. 3 each, on Allotment Rs. 7 each, Application received 1,50,000 Shares out of which 7,500 applications rejected and refunded all amount called and received in time. Pass journal entry in books of Amit Company Ltd. 3

- (F) Roshani Co. Ltd. issued 7,500 Shares at Rs. 10 each at a premium of Rs. 2 per share payable as follows :

On application Rs. 2, on Allotment Rs. 5 each (with premium), on First and Final Call Rs. 5 each, all the shares were subscribed and money received in full. Prepare Share Capital Account. 3

- (G) Sager Co. Ltd. issued 75,000 Shares of Rs. 100 each at a premium of Rs. 5 per share payable as follows, on Application Rs. 20 each, on Allotment Rs. 30 each (with premium), on First Call Rs. 30 each and on Final Call remaining amount. All Shares are subscribed and amount received in full; prepare bank account. 4

- (H) Explain kinds of Share Capital of a Company. 4

2. (A) From the following balances prepare the Trading Account of X Co. Ltd. for the year ended 31<sup>st</sup> March, 2016 :

Opening Stock	37,500
Purchase	1,53,750
Carriage Inward	6,750
Sales	3,07,500
Wages	52,500
Return Outward	3,750
Octroi	3,000
Return Inward	7,500
Carriage Outward	3,000

At the end of the year stock was valued at Rs. 75,000. 3

- (B) From the following balances prepare the Profit and Loss A/c of Ajay Co. Ltd. for the year ended 31<sup>st</sup> March, 2016 :

Gross Profit	43,500
Salary	7,500
Insurance	2,100
Discount Paid	1,125
Rent and Taxes	4,125
Travelling Exp.	3,600
General Exp.	5,550
Prepaid Insurance	225

3

- (C) From the following information of Milind Co. Ltd. prepare Profit and Loss Appropriation A/c :

Net Profit	3,21,425
Previous year Profit	52,000
Interim Dividend	63,000
Transfer to Dividend Equalization Fund	84,000

4

- (D) Prepare Balance Sheet of Ashutosh Co. Ltd. as on 31<sup>st</sup> March, 2016 :

Authorized Share Capital 75,000 Shares Rs. 10 each	7,50,000
Paid up Share Capital 45,000 Shares Rs. 10 each	4,50,000
Profit and Loss A/c Cr.	2,10,000
6% Debentures	1,50,000
Creditors	1,05,000
Dividend Equalization Fund	45,000
Land and Building	3,00,000
Closing Stock	1,50,000
Debtors	1,35,000
Cash at Bank	3,75,000

4

**OR**

- (E) Prepare Trading A/c of the Rahul Co. Ltd. from the following information given below :
- |                      |          |   |
|----------------------|----------|---|
| Opening Stock        | 18,750   |   |
| Purchase             | 1,16,250 |   |
| Wages                | 2,025    |   |
| Carriage on Purchase | 938      |   |
| Coal, Gas, Power     | 8,625    |   |
| Sales                | 1,95,000 |   |
| Octroi               | 585      |   |
| Closing Stock        | 14,250   | 3 |
- (F) Prepare a Profit and Loss A/c of the Komal Co. Ltd. for the year ended 31<sup>st</sup> March, 2016 :
- |                   |          |   |
|-------------------|----------|---|
| Gross Profit      | 1,72,500 |   |
| Salary            | 78,750   |   |
| Rent              | 28,500   |   |
| Office Exp.       | 10,500   |   |
| Bad Debt          | 919      |   |
| General Exp.      | 3,375    |   |
| Stationery        | 2,550    |   |
| Discount Allowed  | 1,800    |   |
| Discount Received | 3,900    |   |
| Advertisement     | 5,738    |   |
| Insurance         | 1,725    | 3 |
- (G) From the following information prepare Profit and Loss Appropriation A/c of Ratan Co. Ltd. for the year ended 31<sup>st</sup> March, 2016 :
- |  |          |   |
|--|----------|---|
| Provision for Reserve Fund                 | 1,05,000 |   |
| Dividend Equalization Fund                 | 18,750   |   |
| Profit and Loss A/c Cr. 31-3-2015          | 45,000   |   |
| Interim Dividend Paid                      | 28,500   |   |
| P & L A/c Cr. 31 <sup>st</sup> March, 2016 | 2,40,000 | 4 |
- (H) Prepare Balance Sheet of Pravin Co. Ltd. as on 31<sup>st</sup> March, 2016 :
- |                  |          |   |
|------------------|----------|---|
| Share Capital    | 3,75,000 |   |
| Building         | 1,87,500 |   |
| Furniture        | 60,000   |   |
| Bills Receivable | 9,000    |   |
| Bills Payable    | 11,250   |   |
| Sundry Debtors   | 72,750   |   |
| Sundry Creditors | 1,18,500 |   |
| Investment       | 75,000   |   |
| Cash in Hand     | 1,875    |   |
| Cash at Bank     | 56,250   |   |
| Net Profit       | 82,875   |   |
| Closing Stock    | 1,25,250 | 4 |

3. (A) Ritesh Co. Ltd. went into liquidation on 1<sup>st</sup> April, 2016, prepare Liquidators Final Statement of Account :

Secured Creditors	77,813
Preferential Creditors	7,500
Unsecured Creditors	37,500
Liquidation Exp.	765
Realization of Asset	1,20,000

Liquidators Remuneration 3% on Asset Realized and 2% on the amount paid to Unsecured Creditors. 3

- (B) Compute the value of goodwill on the basis of 4 years purchase of super profit method from the following particulars of Shri Sudhakar :

(i) Capital employed 1,42,500

- (ii) Trading Profit of five years :

2011 – 12,000

2012 – 15,000

2013 – 14,250

2014 – 16,500

2015 – 18,000

(iii) Normal Rate of Return is 10%. 3

- (C) Calculate Liquidators Remuneration from the following information :

- (i) Amount available for Unsecured Creditors and

Liquidator Remuneration 63,750

(ii) Unsecured Creditors 67,500

(iii) Liquidators Remuneration on payment to Unsecured Creditors is 5%. 4

- (D) Explain need of valuation of Shares. 4

**OR**

- (E) Prepare Liquidators Final Statement Account from the following information :

Preferential Creditors	16,500
Unsecured Creditors	47,250
Debentures	14,250
Land and Building	33,750
Plant	27,375
Furniture	1,875
Liquidation Exp.	2,400

Liquidators are entitled to 2% Remuneration on Assets Realised and 2% on payment to unsecured creditors. 3

(F) From the following particulars of Mr. Ramlal compute the value of goodwill by Super Profit Method :

(i) Capital Employed 37,500

(ii) Trading Profit :

2012 = 9,150

2013 = 11,250

2014 = 1,500 (loss)

2015 = 15,750

(iii) Rate of Return on Capital Employed 10%

(iv) Proprietors Remuneration per year 2,700

(v) No. of purchase of super profit is 3 years. 3

(G) Calculate Liquidators Remuneration from the following information :

(i) Amount available for unsecured creditors and

liquidators remuneration is 86,250

(ii) Unsecured Creditors 86,250

Liquidators are allowed 2% Remuneration on amount paid to unsecured creditors. 4

(H) Write the factors affecting valuation of Shares. 4

4. The Balance Sheet of X Ltd. and Y Ltd. as on 31<sup>st</sup> March, 2014 were as follows :

**Balance Sheet**

<b>Liabilities</b>	<b>X Ltd.</b>	<b>Y Ltd.</b>
2,500 Preferential Shares of Rs. 100 each	2,50,000	
75,000 Equity Shares of Rs. 10 each	7,50,000	
20,000 Equity Shares of Rs. 10 each	–	2,00,000
General Reserve	4,00,000	–
Profit and Loss A/c	45,000	16,000
Creditors	25,000	10,500
	<b>14,70,000</b>	<b>2,26,500</b>
<b>Assets</b>	<b>X Ltd.</b>	<b>Y Ltd.</b>
Goodwill	–	35,000
Patent	1,00,000	–
Land and Building	3,00,000	–
Plant and Machinery	7,75,000	–
Motor Vehicle	–	20,000
Furniture	–	12,500
Investment	57,500	–
Stocks	1,75,000	1,19,500
Debtors	40,000	31,000
Cash at Bank	22,500	8,500
	<b>14,70,000</b>	<b>2,26,500</b>

A new company “Z” was formed to acquire the business Assets and Liabilities of X Ltd. and Y Ltd. The terms of acquisition of business were as follows :

- (i) “Z” Ltd. to have an authorized Share Capital of Rs. 17,50,000 divided into 2,500 13% Preference Shares of Rs. 100 each and 1,50,000 Equity Shares of Rs. 10 each.
- (ii) The business of X Ltd. valued at Rs. 15,00,000, settlement being 3,00,000 Cash and balance by issue of fully paid Equity Shares at Rs. 12 each.
- (iii) Business of Y Ltd. valued at Rs. 2,40,000 will be fully settled by issue of fully paid Equity Shares of Rs. 12 each.
- (iv) Preference Share of X Ltd. was Redeemed.
- (v) “Z” Co. Ltd. made a public issue of 1,500 Preference Shares at par and 15,000 Equity Shares at Rs. 12; they were fully sold and whole amount received.
- (vi) “W” who implemented this plan was allotted 2,000 Equity Shares (fully paid) at Rs. 12 in consideration of his Remuneration.

Pass the journal entries in the books of X Co. Ltd. and prepare Balance Sheet of “Z” Co. Ltd.

14

**OR**

The Balance Sheet of Nagpur Co. Ltd. and Amravati Co. Ltd. as on 31<sup>st</sup> March, 2014 were as under :

**Balance Sheet**

<b>Liabilities</b>	<b>Nagpur Co. Ltd.</b>	<b>Amravati Co. Ltd.</b>
4,500 Shares of Rs. 270 each	12,15,000	—
20,000 Shares of Rs. 150 each	—	30,00,000
General Reserve	4,03,500	12,85,000
P & L A/c	15,000	35,000
Creditors	55,000	65,000
	<b>16,88,500</b>	<b>43,85,000</b>
<b>Assets</b>	<b>Nagpur Co. Ltd.</b>	<b>Amravati Co. Ltd.</b>
Sundry Asset	16,85,000	43,57,500
Cash	3,500	27,500
	<b>16,88,500</b>	<b>43,85,000</b>

- (i) It was proposed that Nagpur Co. Ltd. be absorbed by Amravati Co. Ltd. and the following arrangement were accepted.
- (ii) The holders of every three Shares in Nagpur Co. Ltd. was to receive five shares in Amravati Co. Ltd. plus as much cash as is necessary to adjust the Rights of shareholders of both the companies in accordance with the intrinsic value of shares as per their Balance Sheet.

Show working of purchase consideration and give journal entries in the books of Amravati Co. Ltd. and prepare Balance Sheet of Amravati Co. Ltd.

14

5. Following are the Balance Sheets of a Limited Company as on 31<sup>st</sup> March, 2012 and 2013 :

**Balance Sheet**

<b>Liabilities</b>	<b>2012</b>	<b>2013</b>
Share Capital	45,750	55,500
Reserve	9,750	11,625
P & L A/c	6,450	6,600
Creditors	21,000	18,000
Bank Loan	13,500	–
Provision for taxation	6,000	6,375
	<b>1,02,450</b>	<b>98,100</b>
<b>Assets</b>	<b>2012</b>	<b>2013</b>
Plant	28,500	32,250
Building	38,213	36,000
Stock	19,125	14,100
Debtors	16,500	12,150
Cash	112	135
Bank	–	1,575
Goodwill	–	1,890
	<b>1,02,450</b>	<b>98,100</b>

Taking into account the following additional information, prepare a statement of fund and schedule of change in Working Capital :

- (i) Dividend paid Rs. 4,500
- (ii) Provision of Rs. 6,750 for Income Tax during the year
- (iii) Rs. 2,700 was written off a depreciation of plant.

14

**OR**

The Balance Sheet of Roopam Company Ltd. as on 31<sup>st</sup> March, 2012 and 2013 are as under :

**Balance Sheet**

<b>Liabilities</b>	<b>2012</b>	<b>2013</b>
Share Capital	1,87,500	2,62,500
P & L A/c	37,500	60,000
General Reserve	18,750	26,250
Creditors	57,375	71,250
Bills Payable	15,000	18,750
Outstanding Exp.	2,625	1,875
	<b>3,18,750</b>	<b>4,40,625</b>
<b>Assets</b>	<b>2012</b>	<b>2013</b>
Building	30,000	45,000
Plant and Machinery	1,87,500	3,00,000
Stock	37,500	28,125
Debtors	56,250	60,000
Cash	7,500	7,500
	<b>3,18,750</b>	<b>4,40,625</b>

- (i) Rs. 18,750 depreciation has been charged on Plant and Machinery during the year 2013.
- (ii) A machinery was sold for Rs. 3,000, its cost was Rs. 4,500 and depreciation was Rs. 2,625.

Prepare statement of changes in Working Capital and Funds Flow Statement.

14