

S.Y.B.COM. SEM – III (2014 Course) : SUMMER - 2019
SUBJECT: CORPORATE ACCOUNTING-I

Day: Tuesday
Date: 09/04/2019

S-2019-0399

Time: 12.00 NOON TO 02.00 PM
Max. Marks: 40

N.B:

- 1) Question no. 1 is **COMPULSORY**. Attempt **ANY TWO** questions from the remaining.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable calculator is **ALLOWED**.

Q.1 A) Hindustan Ltd. was incorporated with a Nominal Capital of Rs. 10,00,000 (15) divided into 10,000 Equity shares of Rs. 100 each. Following is the Trial Balance as on 31st March, 2018.

Trial Balance as on 31st March, 2018

Debit Balance	Rs.	Credit Balance	Rs.
Debenture Interest	1,500	Miscellaneous Operating	
Plant and Equipments	3,50,000	Revenue	6,000
Licenses and Franchise	67,300	Sales (Cash and Credit)	3,12,500
Purchases of Materials (Cash and Credit)	66,800	Reserve Fund	25,000
Motor Vehicles	1,00,000	Bank (Cr.) (Short-Term)	17,500
Interest on Bank Overdraft	1,750	Share Transfer Fees	6,900
10% Investments in Trade		Returns Outward	7,300
Securities	1,00,000	Trade Payables	44,900
Stock of Raw materials as on 1 st April, 2017	24,100	Debenture Redemption Fund	65,000
Loose Tools	19,850	Balance in Profit and Loss Account as on 1 st April, 2017	29,800
Wages and Salary	53,600	Interest on Investments	10,000
Returns Inward	12,500	Shares Capital 6,000 Equity Shares of Rs. 100 each	6,00,000
Trade Receivables	1,68,500	6% Debentures (Issued on 1 st April, 2017 secured by a mortgage on Plant and Equipments, redeemable on 31st March, 2020)	50,000
Call-in-Arrears	10,000	Bills Payable	5,000
Insurance on Plant	17,200	Deposits	10,000
Repairs to Equipments	22,400	Rent Received	1,100
Furniture and Fittings (Written Down Value)	60,000	Employees Provident Fund	9,000
Preliminary Expenses	10,400		
Bank (Dr.)	47,500		
Staff Welfare Expenses	11,400		
Bills Receivable	31,300		
Bad Debts	6,200		
Carriage and Cartage	9,100		
Cash in Hand	8,600		
	12,00,000		12,00,000

The following further details are also made available:

P.T.O.

- a) Interest on Debentures for six months is outstanding.
- b) Transfer Rs.9,800 to Debenture Redemption Fund.
- c) Bank Overdraft is full unsecured.
- d) Stock of Materials as on 31st March, 2018 was valued at
 - i) Cost Price Rs. 12,700
 - ii) Market Price Rs. 17,200
- e) Provide depreciation on plant and equipments @ 10% p.a. as per original cost method and on furniture and fittings @ 12% p.a. as per reducing balance method.
- f) Loose-Tools are to revalued at Rs. 15,850 as on 31st March, 2018.
- g) Salary amounting to Rs. 3,600 are to be carried forward.
- h) Further bad debts to be written off Rs.8,500 and create a new reserve for bad and doubtful debts @ 5% on net book debts.
- i) A provision of Rs. 9,350 is to be made for income-tax.
You are required to prepare a Statement of Profit and Loss for the year ended 31st March, 2018 and an Balance Sheet as on that date as per the revised Schedule VI to the Companies Act, 1956.

- B) Write short notes on ANY ONE of the following: (05)**
- a) Share issue at discount
 - b) Redemption of preference shares
 - c) Types of share capital

Q.2 Krishna Industries Ltd. Issued prospectus inviting applications for 12000 shares of Rs. 100 each at a premium of Rs. 20 each payable as follows: (10)

On Application Rs. 20
 On Allotment Rs. 50 (including premium)
 On First Call Rs. 30
 On Final Call Rs. 20

Applications were received for 18,000 shares. The directors refunded the excess application money on 6,000 shares. All the amounts were received except the following:
 Mr. Rahul, the holder of 360 shares failed to pay first and second call and his shares were forfeited after final call. The forfeited shares were sold to Ajit as fully paid for Rs. 70 each.
 Journalise the transactions.

Q.3 Sudarshan Ltd. Was incorporated on 1st August 2017 to take over the business of Kunal Company as a going concern from 1st April 2017. The statement of Profit and Loss for the year ended on 31st March 2018 was as under. (10)

**Statement of Profit and Loss
for the year ended on 31st March, 2018**

Particulars	Rs.
A) Income:	
Gross Profit	3,60,000
Total (A)	<u>3,60,000</u>
B) Expenditure:	
Rent and Taxes	18,000
Insurance	9,000
Electricity	14,400
Salaries	72,000
Directors' Fees	6,900
Audit Fees	4,500
Commission	25,000
Advertisement	30,000
Discount	12,000
Office Expenses	7,200
Carriage Outward	9,000
Bank Charges	3,600
Preliminary Expenses	12,900
Bad Debts	24,000
Interest on Loan	13,500
Total (B)	<u>2,62,000</u>
Net Profit (A-B)	98,000

The total sales for the year were Rs. 12,00,000 out of which sales Rs. 3,60,000 were for the period up to 1st August 2017 Rs. 8,40,000 being for remaining period.

Prepare a statement showing the profit earned prior to and after incorporation.

Q.4 Avinash Co. Ltd. Issued 50,000 Redeemable Preference Share at Rs. 10 each (10)

on 1st April, 2012 redeemable at the option of the company on or after 31/3/2016 in whole or in part. The following redemption were made out of profits:

On 31st March 2016 Rs. 1,00,000

On 31st March 2017 Rs. 2,00,000

On 1st June 2017 company issued 30,000 equity shares of Rs. 10 each as a premium of Rs. 2 per share and redeemed the remaining preference shares

Pass the journal entries to record the above transactions.

* * * *