

S.Y.B.COM. SEM – IV (CBCS - 2016 Course) : SUMMER - 2019

SUBJECT: CORPORATE ACCOUNTING-II

Day: Tuesday
Date: 09/04/2019

S-2019-0335

Time: 11.00 A.M. TO 02.00 PM
Max. Marks: 60

N.B:

- 1) All questions are **COMPUSLORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of **NON-PROGRAMMABLE CALCULATOR** is allowed.

Q.1 The Balance Sheet of Vishakha Ltd., as on 31st March, 2018 was as follows: (12)
Balance sheet as on 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Share Capital:		Land and Buildings	1,40,000
• 2,000 Shares of Rs. 100 each	2,00,000	Plant and Machinery	1,10,000
General Reserve	64,000	Stock	98,000
Profit and Loss	60,000	Debtors	42,000
Bills Payable	42,400	Cash in hand	14,400
Creditors	70,000	Advertising Expenses	32,000
	4,36,400		4,36,400

Vishakha Ltd., was absorbed by Renuka Ltd., on the following terms:

- a) Vishakha Ltd., agreed to write off advertising Suspense against its own reserves.
- b) Renuka Ltd., revalued the assets of Vishakha Ltd., as under:
Land and Buildings – Rs. 1,50,000; Plant and Machinery – Rs. 1,04,000;
Stock – Rs. 1, 20,000; and Debtors at Book value.
- c) Renuka Ltd., took over the assets and liabilities of Vishakha Ltd., and agreed to discharge the purchase consideration in 2,600 Shares of Rs. 100 each at Rs. 110 per share and balance in cash.
- d) Vishakha Ltd., paid its liquidation expenses of Rs. 4,000.
Prepare Realisation Account, Renuka Ltd., Account, Cash Account and Shareholders Account in the books of Vishakha Ltd.

Q.2 The following is the Balance Sheet of Ramdhan Ltd. As on 31st March, 2018. (12)
Balance Sheet as on 31st March, 2018

Liabilities	Rs.	Assets	Rs.
Share Capital:		Goodwill	15,000
• 5% 2,000 Cumulative Preference Shares of Rs. 100 each	2,00,000	Freehold Property	2,00,000
• 4,000 Equity shares of Rs. 100 each	4,00,000	Plant and Machinery	3,00,000
6% Mortgage Debentures	1,00,000	Stock in Trade	50,000
Bank Overdraft	50,000	Debtors	40,000
Creditors	1,00,000	Profit and Loss	2,40,000
		Cash	5,000
	8,50,000		8,50,000

The company got the following scheme of capital reduction approved by the Court.

- a) The Preference shares to be reduced to Rs. 75 per share fully paid-up and Equity Shares to Rs. 40 fully paid-up.

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- b) The Debenture holders took over the Stock-in-trade and the Book Debts in full satisfaction of the amount due to them.
- c) The Goodwill account be eliminated.
- d) The Freehold Property to be increased by 30%.
- e) The value of Plant and Machinery to be depreciated by Rs. 1,00,000/-
- f) The Expenses of reconstruction amounted to Rs. 3,000/-
Give the journal entries to record the above transactions.

Q.3 Following is the Balance Sheet of Camlin Ltd., as on 31st March 2018. **(12)**

Liabilities	Rs.	Assets	Rs.
Share Capital:		Freehold Premises	50,000
i) Issued and Subscribed Capital:		Machinery	70,000
• 10,000 Equity Shares of Rs. 10 each, fully paid	1,00,000	Furniture	14,000
Reserve Fund	50,000	Stock-in-Trade	20,000
Profit and Loss	16,000	Book Debts	44,000
Creditors	45,000	Bank Balance	26,000
Bills Payable	15,000	Formation Expenses	2,000
	<u>2,26,000</u>		<u>2,26,000</u>

Additional Information:

- i) Assets are valued as under:
- | | Rs. |
|---------------------|----------|
| • Goodwill | 44,000 |
| • Freehold Premises | 1,30,000 |
| • Machinery | 72,000 |
| • Furniture | 24,000 |
| • Stock-in-Trade | 25,000 |
| • Debtors | 39,000 |
| • | |
- ii) The profits of the company amounted to,
- | Year | Profit
Rs. |
|------|---------------|
| 2016 | 45,000 |
| 2017 | 49,000 |
| 2018 | 50,000 |
- iii) It is the practice of the company to transfer one-fourth of profit to Reserve Fund.
- iv) The fair yield in respect of Equity Share of similar type of companies is ascertained at 10%.
- Find out the value of each Equity share under A) Net asset Method B) Yield Basis Method C) Fair Value Method

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- Q.4** From the following particulars, prepare Trading and Profit & Loss Account of (12)
the two departments A and B for the year ended 31st December, 2017

	A Rs.	B Rs.	Total Rs.
Opening stock	15,000	10,000	25,000
Purchases	90,000	60,000	1,50,000
Carriage Inwards	-	-	2,000
Salaries	8,000	7,000	15,000
Sales	1,20,000	80,000	2,00,000
Purchase Return	1,000	500	1,500
Discount Received	-	-	1,500
General Expenses	-	-	10,000
Rent and Rates	-	-	5,000
Advertising	-	-	10,000
Insurance	-	-	1,000
Discount Allowed	-	-	1,500
Selling and Distribution Expenses	-	-	500

The further information is relevant.

1. General expenses are to be allocated equally.
2. Goods transferred from department A to B were Rs. 3,000.
3. The area occupied is A $\frac{3}{5}$ and B $\frac{2}{5}$.
4. Insurance is being inconvenient; it is not to be allocated.
5. The closing stock of the two departments were A Rs. 20,000, B Rs. 15,000.

- Q.5** Write short notes on **ANY THREE** of the following: (12)

- a) Methods of purchase consideration
- b) Internal reconstruction and external reconstruction
- c) Advantages of departmental accounts
- d) Factors affecting valuation of shares
- e) Methods of valuation of shares

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