

S.D.E.

S. Y. B. Com. (2008 Course) : SUMMER - 2019

SUBJECT: CORPORATE ACCOUNTING-I

Day: Saturday
Date: 13/04/2019

S-2019-4687

Time: 11.00 AM TO 02.00 PM
Max. Marks: 80

N.B:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks
- 3) Use of non programmable **CALCULATOR** is allowed.
- 4) Answers to both the sections should be written in the **SAME** answer book.

SECTION-I

Q.1 Kunal Transport Company Ltd., invited applications for 40,000 Equity shares (16) of Rs. 100 each at discount of Rs. 4 per share. The amount was to be paid as follows:

	Rs.
On application	20
On allotment	36
On first & final call	40

The public applied for 36,000 shares and these were allotted. All money due were collected with the exception of the first & final call on 4,000 shares and these were forfeited. 2,000 of these shares were reissued as fully paid for a payment of Rs. 80 per share.

Make entries in the journal of company.

OR

Vishal Engineering Ltd., was registered with capital of Rs. 40, 00,000 divided in 40,000 Equity Shares. The Trial Balance of the company as on 31/3/2108 was as follows:

Trial Balance

Particulars	Debit (Rs.)	Credit (Rs.)
Issued Share Capital	-	20,00,000
Motor Car	7,40,000	-
Sundry debtors	1,92,000	-
Salaries	3,00,000	-
Bank Interest	8,000	-
Rent Received	-	70,000
Travelling Expenses	80,000	-
Machinery	16,00,000	-
Sales	-	21,00,000
Building	10,00,000	-
Discount Allowed	30,000	-
Sundry Creditors	-	3,36,000
Wages	1,60,000	-
Bank Overdraft	-	2,44,000
Stock on 1/4/2017	1,40,000	-
Profit and Loss Appropriation Account	-	4,50,000
Purchases	6,00,000	-
Carriage	40,000	-
Cash in Hand and at Bank	20,000	-
Printing and Stationery	40,000	-
Repairs and Renewals	30,000	-
Directors Remuneration	50,000	-
Audit Fees	10,000	-
Calls in Arrears	60,000	-
Interim Dividend	1,00,000	-
Total	52,00,000	52,00,000

P.T.O.

Prepare Trading, Profit and Loss Account, Profit and Loss Appropriation Account for the year ended 31/3/2018 and Balance Sheet as on that date considering the following:

- Stock on 31/3/2018 is Rs. 1, 20,000.
- Create a R.D.D. at 5% on debtors.
- Depreciate Machinery by Rs. 40,000, building by Rs. 1, 40,000 and Motor Car by Rs. 12,400.
- Outstanding wages Rs. 20,000.
- Directors decided a final dividend at 20% on paid up capital.

Q.2 Indian Cable was incorporated on 1st August, 2017 to take over the business of Janata Ltd., as a going concern from 1st April, 2017. The Profit and Loss Account for the year ended 31st March, 2018 was as follows: (16)

Particulars	(Rs.)	Particulars	(Rs.)
To Rent and Taxes	24,000	By Gross Profit	4,80,000
To Insurance	12,000		
To Electricity	19,200		
To Salaries	96,000		
To Directors Fees	9,200		
To Audit Fees	6,000		
To Commission	20,000		
To Advertisement	24,000		
To Discount	16,000		
To Office Expenses	9,600		
To Carriage Outward	12,000		
To Bank Charges	4,800		
To Preliminary Expenses	17,200		
To Bad Debts	32,000		
To Interest on Loan	18,000		
To Net Profit	1,60,000		
Total	4,80,000		4,80,000

The total sales for the year were Rs. 16, 00,000 out of which sales of Rs. 4, 80,000 were for the period upto 1st August, 2017 and Rs. 11, 20,000 being for the remaining period.

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

SECTION-II

Q.3 The Balance Sheet of Anju Ltd., as of 31/3/2018 was as follows: (16)

Balance Sheet

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

Anju Ltd. was absorbed by Sanju on the following terms:

- Anju Ltd. agreed to write off Advertising Suspense against its own reserves.
- Sanju Ltd. revalued the assets of Anju 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.
- Sanju Ltd. took over the assets and liabilities of Anju 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) Anju Ltd. paid its liquidation expenses of Rs. 4,000.
Prepare a Realisation account, Sanju Ltd. Account, Cash account and Shareholders Account in the books of Anju ltd.

OR

What do you understand by 'Internal Reconstruction'? When does it become necessary to go for internal reconstruction?

- Q.4** From the following details relating to the Mumbai Branch for the year ending (16) on 31st March, 2017, prepare Pune Branch Account in the books of Ashoka Ltd., Ahmedabad.

Particulars	Rs.	Particulars	Rs.
Opening Stock	25,000	Cash Received from Debtors	65,000
Opening Debtors	10,000	Cash paid by Debtors directly to:	
Opening Furniture	6,000	Head Office	5,000
Opening Petty Cash	1,000	Closing Stock	15,000
Prepaid Insurance in the beginning	300	Goods returned by Branch	2,000
Salaries Outstanding in the beginning	4,000	Goods returned by Debtors	1,000
Goods sent to Branch	2,00,000	Cash sent to Branch for Expenses	
		• Rent (Rs. 800 per month)	9,600
		• Salary (Rs. 4,000 per month)	48,000
		• Petty Cash	2,000
		• Insurance (upto June, 2017)	1,200
Cash Sales during the year	2,70,000		
Total Sales	3,50,000		
Petty Cash Expenses	2,200		
Discount allowed to debtors	500		

Goods costing Rs. 2,500 were damaged in transit and a sum of Rs. 2,000 was recovered from the Insurance Company in full settlement of the claim. Depreciate Furniture @ 10% p.a. The Branch Manager is entitled to a commission of 5% of profit of Branch after charging such commission.

OR

From the following figures for the year 2017, prepare accounts to disclose total profit and the profit of two departments X and Y:

Particulars	Rs.
Opening Stock: X	13,400
Y	11,200
Purchases: X	73,600
Y	71,400
Sales: X	1,13,000
Y	90,000
Sales Returns: X	3,000
Y	2,000
Carriage Inwards	2,900
Salaries: X	8,000
Y	7,000
General Salaries	7,500
Rent and Rates	5,400
Advertising	8,100
Insurance (for Building)	1,800
General Expenses	4,500
Discount allowed	2,700
Discount received	1,450

The following further information is supplied:

- a) General Salaries and General Expenses are to be allocated equally.
- b) The area occupied is in the ration of 5:4.
- c) The Closing Stocks of the two departments were: X: Rs. 20,500 and Y: Rs. 17,600.

Q.5 Write short notes on **ANY FOUR** of the following: **(16)**

- a) Advantages of internal reconstruction
- b) Purchase consideration
- c) Difference between external reconstruction and internal reconstruction
- d) Amalgamation
- e) Inter departmental transactions
- f) Dependent branches

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