

S.Y.B.COM. SEM – III (CBCS - 2016 COURSE) : SUMMER - 2018
SUBJECT: CORPORATE ACCOUNTING - I

Day: **Friday**
 Date: **13/04/2018**

Time: **03.00 PM TO 06.00 PM**
 Max. Marks: 60

S-2018-0261

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non programmable **CALCULATOR** is allowed.

Q.1 Active Ltd, issued for public subscription 30,000 equity shares of Rs. 10 each **(12)**
 at a premium of Rs. 2 per share payable as under:

- On Application Rs. 2
- On Allotment Rs. 5 (including premium)
- On First call Rs. 2
- On Final call Rs. 3

Applications were received for 35,000 shares of which 30,000 equity shares were allotted to the applicants and the remaining applications for 5000 equity shares were refused and application money was refunded. All the money was duly received except on 2000 shares final call was not received and Directors forfeited these shares. The company reissued such forfeited shares at Rs. 8 per share.

Pass necessary journal entries in the books of Active Ltd.

Q.2 Hindustan Ltd. was incorporated on 1st April, 2016 to take over the business **(12)**
 of Modern Ltd. as a going concern from 1st August, 2016. The Profit and Loss Account for the year ending 31st March, 2017 was as follows:

	Particulars	Rs.
A)	<u>Income:</u>	
	Gross Profit	1,55,000
	Total (A)	<u>1,55,000</u>
B)	<u>Expenditure:</u>	
	Rent and Taxes	12,000
	Insurance	3,000
	Salaries	36,000
	Electricity Charges	2,400
	Auditors Fees	3,000
	Directors Fees	1,600
	Commission	6,000
	Advertisement	4,000
	Discount	3,500
	Office Expenses	7,500
	Bad Debts	2,000
	Interest on Loan	3,000
	Carriage	3,000
	Bank Charges	1,500
	Preliminary Expenses	6,500
	Total (B)	<u>95,000</u>
	Net Profit (A-B)	<u>60,000</u>

The total Sales for the year ending 31st March, 2017 was Rs. 5,00,000 divided into Rs.1,50,000 for the period up to 1st August, 2016 and Rs. 3,50,000 for the remaining period.

Find out the profit prior to and after incorporation period.

P. T. O.

Particulars	Rs.	Particulars	Rs.
Land and Building	3,40,000	Share Capital	12,00,000
Plant and Machinery	6,60,000	Sundry Creditors	1,20,000
Office Equipment	40,000	Reserve Funds	60,000
Preliminary Expenses	20,000	Profit and Loss Account 1/1/2016	35,400
Furniture	29,000	Returns Outwards	20,000
Calls in Arrears	6,000	Bank Overdraft	41,600
Cash in Hand	2,000	Sales	12,30,000
5% Government Bonds (Face value Rs. 40,000)	36,000		
Bills Receivable	58,000		
Goodwill	36,000		
Motor Vehicles	40,000		
Sundry Debtors	83,000		
Interim Dividend	18,000		
Repairs	3,000		
Return Inwards	28,000		
Advertisement	10,000		
Audit Fees	4,000		
Carriage Outward	15,000		
Wages	92,000		
Insurance	20,000		
Stock on (1/4/2016)	1,90,000		
General Expenses	17,000		
Purchases	9,60,000		
Total	27,07,000		27,07,000

Adjustments:

- a) Stock as on 31st March, 2016 was Rs. 1,80,000.
- b) Create reserve for bad debts at 5% on Sundry Debtors.
- c) Provide depreciation;
 - Plant and Machinery at 5%
 - furniture at 10%,
 - Office equipment at 15% and
 - Motor Vehicle at 20%.
- d) Prepaid insurance Rs. 2,000.
- e) Reserve Fund to be increased by Rs. 10,000.
- f) Wages outstanding Rs. 3,000.
- g) Directors declared an interim dividend for 6 months ending 30th September, 2016 at a rate of 3%.

Q.4 Following is the Balance Sheet of Priya Company Ltd. as on 31/ 3/ 2017. **(12)**

Balance Sheet as on 31/3/2017

(I)	SOURCES OF FUNDS	
	20,000 Equity shares of Rs. 100 each	20,00,000
	10,000 preference shares of Rs. 100 each	10,00,000
	Capital Reserve	2,00,000
	Share premium	2,00,000
	General Reserve	4,00,000
	Profit and Loss A/c	2,00,000
	Current Liabilities	20,00,000
	Total:	<u>60,00,000</u>
(II)	APPLICATION OF FUNDS	
	Fixed Assets	44,00,000
	Stock and Debtors	16,00,000
	Total:	<u>60,00,000</u>

The preference shares are to be redeemed at 10% premium. The company issued 4,000 equity shares and remaining amount required for redemption of preference shares is utilized from the profits of the company. Pass necessary journal entries in the books of the company.

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

- a) Issue of shares at Discount
- b) Types of Share Capital
- c) Redemption of Preference Shares
- d) AS- 14: Accounting for Amalgamation
- e) Profit prior to Incorporation

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