

S.D.E.

S. Y. B. Com. (2008 Course) : WINTER - 2018

SUBJECT: CORPORATE ACCOUNTING-I

Day: Saturday
Date: 13/10/2018

W-2018-4297

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 Vijay Steel Ltd., issued for subscription 2,000 shares of Rs. 100 each at a (16) premium of Rs. 20 per share payable as under:

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

Applications were received for 3,000 shares, 2400 shares were allotted to the applicants for 2,000 shares. The remaining applications for 600 shares being refused and applicants money was refunded. Excess money received adjusted against allotment. All the amounts were duly received except Mr. Mohan to whom 80 shares were allotted. He fails to pay first and final call. His shares are forfeited and those shares were reissued to Mr. Sohan as fully paid at Rs. 80 per share.

Journalise the transactions in the books of the company.

OR

Runwal Trading Company Ltd., was registered with nominal capital of Rs. 12, 00,000 divided into Equity Shares of Rs. 100 each. Following are the balance extracted from its books on 31st March, 2018.

Trial Balance

Particulars	(Rs.)
Premises	7,50,000
Plant and Machinery	6,90,000
Calls in Arrears	8,500
Interim dividend Paid on 31/10/2017	40,000
Furniture	15,000
Goodwill	25,000
Debtors	85,000
Opening Stock	72,000
Share Broker's Commission	6,000
Purchases	1,90,000
Carriage	15,000
Sundry Expenses	12,000
Salary	18,000
Director's Fees	7,000
Bad Debts	2,500
Debenture Interest Paid	12,000
Subscribed and Called-up Capital	8,00,000
6% debentures	4,00,000
Profit & Loss A/c (Cr. Balance)	20,000
Bills Payable	35,000
Sales	6,50,000
Creditors	22,000
General Reserve	35,000
Bank Overdraft	20,000
Bad Debts Reserve (1/4/2017)	4,000
Cash-in-Hand	38,000

P.T.O.

Prepare trading, Profit & Loss A/c, Profit & Loss Appropriation A/c for the year ended 31st March, 2018 and Balance Sheet in a prescribed form as on that date after considering the following:

- a) Stock on 31st March, 2018 was valued at cost Rs. 1, 50,000 (Market Value Rs. 1, 60,000).
- b) Depreciate Plant and Machinery at 10%, Premises by 5% and Furniture at 10% p.a.
- c) Write-off half of Share Broker's Commission.
- d) Provide for bad debts at 5% on Debtors.
- e) Goods distributed as free samples not recorded Rs. 10,000.
- f) Goods destroyed by fire Rs. 15,000.
Insurance Company admitted a claim of Rs. 10,000 only.
- g) Transfer Rs. 15,000 to General Reserve.
- h) Directors propose to pay final dividend at 10%.
- i) Make provision for Taxation 50,000.

- Q.2** Abishek Industries Ltd. was incorporated on 30th April, 2017 to acquire a running business from 1st January, 2017. The purchase price was agreed at Rs. 90,000 payable in Equity Shares of Rs. 10 each. The following is the Profit and Loss Account for the year ended 31st December, 2017. **(16)**

Profit and Loss Account for the year ended 31st December, 2017

Particulars	(Rs.)	Particulars	(Rs.)
To Opening Stock	35,000	By Sales	3,00,000
To Purchases	2,10,000	By Closing Stock	35,000
To Gross Profit C/D	90,000		
	3,35,000		3,35,000
To Salary	12,000	By Gross Profit B/D	90,000
To Bad Debts	1,500	By Bad Debts	2,000
To Debenture Interest	2,500		
To Directors Fees	2,400		
To Audit Fees	3,100		
To Discount Allowed	1,800		
To Depreciation on Plant and Machinery	12,000		
To Interest to Vendors	1,500		
To General Expenses	2,400		
To Publicity Charges	12,000		
To Printing and Stationery	4,800		
To Commission to Travelling Salesman	6,000		
To Net Profit C/D	30,000		
	92,000		92,000

Additional Information:

- a) The yearly turnover amounted to Rs. 3, 00,000 of which sales upto 1st May, 2017 were Rs. 10,000.
 - b) The purchase consideration was settled on June 30, 2017.
 - c) Bad debts of Rs. 300 related to sales effected after incorporation and recovery of Bad Debts was in respect of debts written off during 2015.
- Prepare a columner statement showing profits prior to and post-incorporation period.

SECTION-II

- Q.3** Naveen Ltd. sells its business to Birla Global Ltd. as on 31/3/2018 on which (16)
date its Balance Sheet stood as follows:

Balance Sheet on Naveen Ltd. as at 31/3/2018

Liabilities	Rs.	Assets	Rs.
Share Capital:		Goodwill	50,000
2,000 Shares of Rs. 100 each	2,00,000	Freehold Property	1,50,000
6% debentures of Rs. 100 each	1,00,000	Plant and Tools	83,000
Sundry Creditors	30,000	Stock	35,000
Reserve Funds	50,000	Bills Receivable	4,500
Profit and Loss	20,000	Sundry Debtors	27,500
		Cash at Bank	50,000
	4,00,000		4,00,000

Birla Global Ltd. agreed to take the assets (exclusive of Cash and Goodwill) at 10% less than the book values, to pay Rs. 75,000 for goodwill and to take over the debentures.

The Purchase consideration was to be discharged by allotment to Naveen Ltd. of 1,500 Shares of Rs. 100 at a premium of Rs. 10 per share and balance in cash.

The cost of liquidation amounted to Rs. 3,000.

Realisation Account, Cash Account, Shareholders Account, Purchasing Co. account, Creditors Account in the books of Naveen Ltd.

OR

What is 'Internal Reconstruction'? Which journal entries are required to be passed in the books of company after internal reconstruction?

- Q.4** Vishal Garments of Mumbai has a branch at Nashik. Goods are supplied to (16)
the branch at cost. The expenses of the branch are paid from Mumbai and the branch keeps a sales journal and debtor's ledger only. From the following information supplied by the branch, prepare a Branch Account in the books of Head Office. Goods are sent to branch at proforma invoice price which is cost plus 20%.

Particulars	Rs.
Opening Stock (at proforma invoice)	28,800
Closing Stock (at proforma invoice)	21,600
Closing Debtors	9,160
Opening Debtors	?
Goods received from H.O. (at proforma invoice)	40,320
Bad Debts	140
Credit Sales	41,000
Expenses paid by H.O.	10,400
Cash Sales	17,500
Cash received from Debtors	37,900
Pilferage of goods by the employees (Normal loss)	2,000

OR

Spencer's Stores has three departments:

- a) Cosmetics,
- b) Garments, and
- c) Confectionery.

From the following data, prepare a Departmental Profit & Loss Account in columnar form for the year ended 31st March 2018

Particulars		Amt. Rs.	Particulars		Amt. Rs.
Purchases:			Insurance		900
Cosmetics (A)	52,800		Commission		3,840
Garments (B)	43,600		Delivery Expenses		2,400
Confectionery (C)	34,800	1,31,200	Rent		4,200
Sales:			Discount Received		1,968
Cosmetics(A)	80,000		Salaries		31,500
Garments(B)	64,000		Advertisement		1,944
Confectionery (C)	48,000	1,92,000	Administration Expenses		7,890
Opening Stock:			Depreciation		2,940
Cosmetics (A)	14,600		Closing Stock:		
Garments (B)	11,240		Cosmetics (A)	12,400	
Confectionery (C)	9,120	34,960	Garments (B)	8,654	
			Confectionery (C)	9,746	30,800

All the expenses are to be apportioned equally between three departments, except the following:

- Delivery Expenses: In proportion to Sales.
- Commission: 2% of Sales.
- Salaries and Insurance in Proportion of 6:5:4.
- Discount Received: 1.5% of Purchases.

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

- Objectives of amalgamation
- Stock and debtors system
- Methods of purchase consideration
- Types of branches
- Inter departmental Transactions
- Purchase consideration

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