

S.D.E.
T. Y. B. COM. (2008 COURSE) : WINTER - 2017

SUBJECT : CORPORATE ACCOUNTING-II

Day : Wednesday
Date : 25/10/2017

Time : 3.00 P.M. TO 6.00 P.M.
Max. Marks : 80.

W-2017-3994

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) All questions carry **EQUAL** marks
- 3) Answers to both the sections should be written in the **SAME** answer book.
- 4) Use of calculator is **ALLOWED**.

SECTION-I

Q.1 The following are the Balance Sheets of H Ltd. & S Ltd. as on 31.12.2014

Liabilities	H Ltd. Rs.	S Ltd. Rs.	Assets	H Ltd. Rs	S Ltd. Rs
Share Capital: Equity shares of Rs.100 each	500000	300000	Land & Building	200000	100000
General Reserve	40000	20000	Plant & Machinery	150000	200000
Profit & Loss Account	70000	10000	Investments (2700 shares in S Ltd. at cost)	297000	--
Bills payable	50000	15000	Stock	400000	30000
Creditors	140000	55000	Debtors	50000	60000
			Bills receivable	63000	10000
	800000	400000		800000	400000

Additional Information:

1. On 01.01.2014 H Ltd. acquired 90% Equity shares in S Ltd. on which date the credit balance of Profit & Loss Account and General Reserve in the books of S Ltd. was Rs.5000/- and Rs.10000/- respectively.
2. Sundry Debtors of S Ltd. includes Rs.20000/- due from H Ltd.
3. The bills payable of S Ltd. includes Rs.10000/- in favour of H Ltd. which has discounted Rs.5000/- of them.

You are required to prepare the Consolidated Balance Sheet of H Ltd. with its subsidiary S Ltd. as on 31.12.2014

OR

Write short notes on the following:

1. Voluntary liquidation
2. Purchase and sale of securities at Ex-interest & Cum-interest
3. Non-Banking assets
4. Pre-acquisition profits

Q.2 The following is the Trial Balance of Success Bank Ltd., as on 31.03.2015

Debit Balances	Rs.	Credit Balances	Rs.
Cash in hand	24350	Current deposits	2275000
Cash with RBI	43450	Savings deposits	726000
Balances with other banks	300000	Fixed deposits	1859000
Money at call	75000	Sundry creditors	22700
Investments in Govt. securities	2260000	Borrowings from other banks	610000
Investments in shares	235000	Rebate on bills discounted	750
Interest accrued on investments	43750	Branch adjustment	227750
Loans, Cash Credits & Overdrafts	2205000	Reserve funds	500000
Bills discounted and purchased	1655000	Dividend equalization fund	125000
Furniture	25000	Share capital: 50000 Equity shares of Rs.10 each	500000
Depreciation on Fixed Assets	25000	Interest and discount	290000
Interest paid	60000	Commission and Exchange	85000
Commission and Exchange	5000	Other income	2750
Salaries	120000	Profit & Loss A/c (01.04.2014)	42600
Director's fees	5000		
Stationery	15000		
Advertisement	5000		
Legal charges	5000		
Postage & telegram	6000		
Repairs and maintenance	4000		
Land and Building	150000		
Total	7266550		7266550

Adjustments:

1. Provide Rs.25000/- for income tax provision
2. Transfer to dividend equalization fund Rs.25000/-
3. Provide Rs.2750/- for outstanding audit fees.
4. Acceptances and endorsements on behalf of customers Rs.1000000/-

You are required to prepare the Profit and Loss Account and Balance Sheet of the bank in the prescribed format.

Q.2 The following is the Balance Sheet of Snehal Ltd. as on 31.12.2013

Balance Sheet as on 31.12.2013

Liabilities	Rs.	Assets	Rs.
Share Capital: 2000, 4% preference shares of Rs.10 each	20000	Fixed assets	110000
3000 Equity shares of Rs.10 each Rs.8 paid up	24000	Current assets	49000
4000 Equity shares of Rs.10 each Rs.5 paid up	20000	Profit and loss account	35000
5% Debentures having a floating charge on all assets	60000		
Creditors	70000		
Total	194000		194000

The company went into voluntary liquidation on the above Balance Sheet date.

1. The preference dividend was in arrears for four years and it was to be paid
2. Sundry creditors include Rs.7000/- as preferential creditors and Rs.3000/- as secure creditors on mortgage of current assets.
3. The fixed assets realized Rs.105000/- and current assets realized RS.45000/-
4. The liquidator was entitled to a fixed remuneration of Rs.3000/-
5. The liquidation expenses amounted to Rs.4300/-

The liquidator made all payments on June 30, 2014. Show Liquidator's Final Statement of Account as on 30.06.2014

SECTION-II

- Q.3** From the following information you are required to prepare Trading and Profit & Loss Account for the year ended 31.12.2014 and Balance Sheet of Mr. A as on 31.12.2014

Balance Sheet as on 01.01.2014

Liabilities	Rs.	Assets	Rs.
A's Capital	120000	Land and Building	80000
Creditors	70000	Machinery	50000
Bills payable	30000	Furniture	15000
Bank loan	30000	Stock	40000
		Bills receivable	14000
		Debtors	45000
		Cash	6000
Total	250000		250000

Summary of Cash Book for the year 2014

Receipts	Rs	Payments	Rs.
To Balance b/d	6000	By Wages	15000
To Debtors	46000	By Creditors	40000
To Bills receivable	11000	By Bills payable	20000
To Additional capital	7000	By Salaries	20000
To Cash sales	35000	By Drawings	8000
		By Balance c/d	2000
Total	105000		105000

Other transactions:

1. Credit sales and Credit purchases during the year 2014 were Rs.76000/- & Rs.70000/- respectively.
2. Closing stock on 31.12.2014 amounted to Rs.60000/-
3. Bills receivable drawn during the year Rs.20000/- Bills payable accepted during the year Rs.18000/-
4. Discount allowed and discount received were Rs.1000/- and Rs.700/- respectively
5. Bills receivable dishonoured during the year Rs.2000/-
6. Outstanding wages and salaries during the year 2014 were Rs.1500/- and Rs.2000/- respectively.

Q.4 From the following information you are required to prepare Crop Account and Live Stock Account for the year ended 31.12.2014

1) Stock on 1.1.2014:

Livestock	305000
Paddy	20000
Cattle feed	14000
Fertilizers	11000

2) Purchases during 2014:

Livestock	58000
Fertilizers	12000
Seeds	6000
Cattle feed	34000

3) Sales during the year 2014:

Milk	152000
Paddy	263000
Livestock	45000

4) Crop Expenses:

Labour	36000
Miscellaneous	4000

5) Livestock Expenses:

Medicines	6000
Labour	36000
Miscellaneous	8000

6) Stock on 31.12.2014

Livestock	300000
Paddy	15000
Cattle Feed	9000
Fertilizers	6000

Other information:

1. The consumption by proprietor for his family use – milk Rs.24000/- and paddy Rs.6000/-
2. The consumption by workers – paddy Rs.8000/- and milk etc Rs.6000/-
3. The general expenses Rs.75000/- to be charged to crop and livestock account in the ratio of 1:2
4. Depreciation of Rs.25000/- to be charged to Crop and Livestock account equally.
5. Cow dung of Rs.15000/- used as manure in crop section.

OR

Q.4 The fire occurred in the premises of a company on 31.03.2015. From the following information you are required to prepare a statement of claim to be submitted to the insurance company under loss of stock policy.

Opening stock 01.01.2014	150000
Purchases less returns	620000
Sales less returns	800000
Closing stock 31.12.2014	160000
Purchases from 01.01.2015 to 31.03.2015	150000
Sales from 01.01.2015 to 31.03.2015	200000

In valuing closing stock of 2014 Rs.10000/- were written off whose cost was Rs.9600/-.
Part of this stock was sold in 2015 at a loss of Rs.800/- whose cost was Rs.4800/-
Stock salvaged was Rs.10000/- The stock was fully insured.

- Q.5** From the Trading and Profit and Loss Account and Balance Sheet, you are required to calculate Gross Profit ratio, Net Profit ratio, Stock Turnover ratio, Current ratio and Liquid or Quick ratio.

Trading and Profit & Loss Account for the year ended 31.12.2014

Particulars	Rs.	Particulars	Rs.
To Opening Stock	375000	By sales	3000000
To purchases	2125000	By closing stock	450000
To gross profit	950000		
Total	3450000		3450000
To operating expenses	500000	By gross profit b/d	950000
To non-operating expenses	150000	By non-operating income	50000
To net profit	350000		
Total	1000000		1000000

Balance Sheet as on 31.12.2014

Liabilities	Rs.	Assets	Rs.
Share Capital: Equity shares of Rs.10 each	750000	Land and building	375000
General reserve	637500	Plant and machinery	187500
Profit and loss account	375000	Investments	300000
Sundry creditors	375000	Stock	450000
Bills payable	112500	Debtors	562500
Bank overdraft	75000	Bills receivable	187500
		Cash and bank	262500
Total	2325000		2325000

OR

- Q.5** Write short notes on the following:
1. Defects of Single Entry System.
 2. Objectives of Ratio Analysis
 3. Short sales
 4. Indian Accounting Standard-V

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