

**BACHELOR OF COMMERCE (CBCS-2016 COURSE)**  
**S.Y. B.Com. Sem-IV : WINTER :- 2021**  
**SUBJECT: CORPORATE ACCOUNTING-II**

Day : Tuesday  
 Date 18-01-2022

W-14431-2021

Time : 02:00 PM-05:00 PM  
 Max. Marks: 60

**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** The Jay Ltd. sells its business to the Vijay Ltd. , as on 31<sup>st</sup> March 2019 on which (12)  
 date its Balance Sheet was as follows :

**Balance sheet of Jay Ltd. as on 31<sup>st</sup> March 2019**

Liabilities	Rs.	Assets	Rs.
Paid up Capital 6,000 shares of Rs. 100 each	6,00,000	Goodwill	1,50,000
6% 300 debentures of Rs. 1,000 each	3,00,000	Freehold property	4,50,000
Reserve Fund	1,50,000	Machinery	2,40,000
Profit and Loss A/C	60,000	Stock	1,05,000
Sundry Creditors	90,000	Bills Receivable	13,500
		Sundry Debtors	82,500
		Cash at Bank	1,50,000
	<b>12,00,000</b>		<b>12,00,000</b>

Vijay Ltd., agreed to take the assets (exclusive of Cash and Goodwill) at 10% less than the book values to pay Rs. 2,25,000 for Goodwill and to take over the debentures.

The purchase consideration was to be discharged by allotment to Jay Ltd., of 4,500 shares of Rs. 100 at a premium of Rs. 10 per share and balance in cash.

The cost of liquidation amounted to Rs. 9000.

You are required to prepare necessary accounts in the books of Jay Ltd.

- Q.2** The following is the Balance Sheet of Lucky Ltd. Pune, as on 31<sup>st</sup> March 2019. (12)

**Balance sheet as on 31<sup>st</sup> March 2019**

Liabilities	Rs.	Assets	Rs.
Issued and Subscribed Capital : 4,000 Equity Shares of Rs. 100 each full paid	4,00,000	Goodwill	60,000
		Buildings	1,50,000
3,000 7% preference shares of Rs. 100 each full paid	3,00,000	Machinery	3,00,000
Profit prior to incorporation	10,000	Patents	30,000
6% Debentures	3,00,000	Stock	2,20,000
Sundry Creditors	2,00,000	Debtors	1,50,000
		Cash	5,000
		Preliminary Expenses	25,000
		Profit and Loss	2,70,000
	<b>12,10,000</b>		<b>12,10,000</b>

**P.T.O.**

The following scheme of reconstruction was duly approved by the court.

- i) 7% Preference Shares to be converted into 9% preference shares, the amount being reduced by 30%.
- ii) Equity Shares to be reduced to fully paid shares of Rs. 50 each.
- iii) Buildings to be appreciated by 20%.
- iv) Debentures to be reduced by 20%.
- v) All intangible assets and fictitious amounts including patents to be written off. Utilise , profits prior to incorporation if necessary.

Pass the necessary journal entries in the books of the company.

**Q.3** Following is the Balance Sheet of Kohinoor Ltd., as on 31<sup>st</sup> March 2019. (12)

**Balance sheet as on 31<sup>st</sup> March 2019**

Liabilities	Rs.	Assets	Rs.
Issued Capital : 10,000 Equity shares of Rs.10 each full paid	1,00,000	Freehold premises	50,000
Reserve Fund	50,000	Machinery	70,000
Profit and Loss A/C.	16,000	Furniture	14,000
Creditors	45,000	Stock in Trade	20,000
Bills payable	15,000	Books Debts	44,000
		Bank Balance	26,000
		Formation Expenses	2,000
	<b>2,26,000</b>		<b>2,26,000</b>

The additional information as on 31<sup>st</sup> March 2019 made available to you, which is as follows :

i) Assets were 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 Net Profits for the last three years were as follows :

	Rs.
2017	45,000
2018	49,000
2019	50,000

iii) It is the practice of the company to transfer ¼ of profit to Reserve Fund.

iv) The fair yield in respect of Equity Shares of similar type of companies is ascertained at 10%.

Calculate value of shares : i) Net Asset Method ii) Yield Method iii) Fair Value Method.

- Q.4** The following balances have been extracted from the books of Suraj Departmental Stores, Pune for the year ended 31<sup>st</sup> March, 2019 having three departments P, Q and R. **(12)**

Particulars	Dept. P Rs.	Dept. Q Rs.	Dept. R Rs.
Opening Stock	40,000	20,000	60,000
Purchases	1,10,000	55,000	2,20,000
Sales	4,00,000	3,00,000	2,00,000
Closing Stock	24,000	12,000	2,40,000

The other expenses were as under :

	Rs.
General Expenses	24,000
Rent, Rates and Taxes	18,000
Commission Received	9,000
Discount Allowed	27,000
Sales Promotion Expenses	36,000
Salesman's Salary	9,000
Discount Received	14,000

Prepare Departmental Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March 2019 after taking into account the following :

- i) Goods worth Rs. 10,000 were transferred from Department P to Department Q and Goods worth Rs. 5,000 were transferred from Department R to Department Q.
- ii) Allocate General Expenses and Rent, Rates and Taxes equally between the three departments.
- iii) Commission received is divided in the ratio of 3:2:1 between Departments P, Q and R respectively.

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

- a) Methods of valuation of shares
- b) Allocation of expenses in departments
- c) amalgamation
- d) Methods of purchase consideration

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