

BACHELOR OF COMMERCE (CBCS - 2018 COURSE)
S. Y. B. Com. Sem-IV : WINTER :- 2021
SUBJECT: CORPORATE ACCOUNTING-II

Day : Tuesday
 Date 18-01-2022

W-18161-2021

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 Balance sheet of Anant Ltd., as on 31st March, 2019 was as follows : **(12)**

Balance Sheet as on 31st March 2019

Liabilities	Rs.	Assets	Rs.
Share Capital : 2,000 Shares of Rs. 100 each	2,00,000	Land and Buildings	1,40,000
General Reserve	32,000	Plant and Machinery	1,10,000
Profit and Loss A/c	60,000	Stock	98,000
Bills Payable	42,400	Debtors	42,000
Creditors	70,000	Cash in hand	14,400
	4,04,400		4,04,400

Anant Ltd., was absorbed by Bhushan Ltd., on the following terms :

- a) Bhushan Ltd., revalued the assets of Anant 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.
- b) Bhushan Ltd., took over the assets and liabilities of Anant 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.
- c) Anant Ltd., paid its liquidation expenses of Rs. 4,000.

Prepare Realization Account, Bhushan Ltd. Account, Cash Account and shareholders Account in the books of Anant Ltd., and pass opening journal entries in the books of Bhushan Ltd.

Q.2 Unlucky Ltd., presents you with their financial position as follows : **(12)**

Balance Sheet as on 31st March, 2019

Liabilities	Rs.	Assets	Rs.
Share Capital :		Goodwill	60,000
A) Issued and Subscribed Capital :		Buildings	1,50,000
4,000 Equity Shares of Rs.100 each, fully paid	4,00,000		
3,000 , 7% Preference shares of Rs. 100 each, fully paid	3,00,000		
Profit prior to Incorporation	10,000	Machinery	3,00,000
6% Debentures	3,00,000	Patents	30,000
Sundry Creditors	2,00,000	Stock	2,20,000
		Debtors	1,50,000
		Cash	5,000
		Preliminary Expenses	25,000
		Profit and Loss	2,70,000
	12,10,000		12,10,000

P.T.O.

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

- a) 7% Preference Shares to be converted into 9% Preference shares, the amount being reduced by 30%.
- b) Equity Shares to be reduced to fully paid shares of Rs. 50 each.
- c) Buildings be appreciated by 20%.
- d) Debentures be reduced by 20%.
- e) All intangible assets and fictitious amounts including patents be written off. Utilize, profits prior to incorporation if necessary.

Pass journal entries to record the above scheme of reconstruction in the books of Unlucky Ltd., and a revised Balance Sheet as on 31st March, 2019.

Q.3 Following is the Balance Sheet of Star Ltd., Satara as on 31st March 2019. (12)

Balance Sheet as on 31st March 2019

Liabilities	Rs.	Assets	Rs.
Share Capital :		Freehold Premises	50,000
A) Issued and Subscribed Capital : 10,000 Equity Shares of Rs.10 each, fully paid	1,00,000	Machinery	70,000
Reserve Fund	50,000	Furniture	14,000
Profit and Loss A/c	16,000	Stock-in-Trade	20,000
Creditors	45,000	Book Debts	44,000
Bills Payable	15,000	Bank Balance	26,000
		Formation Expenses	2,000
	2,26,000		2,26,000

Additional Information :

i) Assets are valued as under :

Particulars	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 profits of the company amounted to ,

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

iii) It is the practice of the company to transfer one-fourth of profit to Reserve Fund.

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

Find out the value of each Equity share under Fair Value Method.

- Q.4** The following balances have been extracted from the books of M/s. Patil and Co., (12)
for the year ended 31st March 2019 having three departments K, S and M. Partners
A, B and C share profit and loss of the business in the ratio of 5:3:2.

	Amount Rs.		Amount Rs.
Purchases : (Excluding Inter- department transfers)		Salaries	36,000
K	60,000	Carriage Inward	6,000
S	40,000	Rent	9,000
M	20,000	Discount received	1,200
Sales : (Excluding Inter- department transfers)		Discount allowed	2,700
K	90,000	Advertising	4,500
S	67,500	Sundry expenses	6,000
M	45,000	Depreciation on furniture and fixture	900
Opening Stocks :		Interest from investments	10,000
K	19,000	Donations made	5,000
S	12,000	Interest on loans paid	1,000
M	10,000		
Closing Stocks :			
K	22,900		
S	8,600		
M	11,000		

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

1. Allocate the expenses in the following proportion :

	Dept.	Dept.	Dept.
	K	S	M
i) Rent	4	4	1

- ii) Salaries and Discount allowed : On the basis of outside sales.
iii) Sundry Expenses : Equally amongst all the three departments.
iv) Discount received : On the basis of purchases.

2. During the year, goods having cost price of Rs. 10,200 and Rs. 800 were transferred from Departments K and S respectively to Department M.

- Q.5** Write short notes on **ANY THREE** of the following. (12)
- Need of valuation of shares
 - Reduction of share capital
 - Net asset method of valuation of shares
 - Amalgamation
 - Distinguish between internal and external reconstruction