

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

Day : Thursday
 Date 20-01-2022

W-14419-2021

Time : 10:00 AM-01:00 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 Excel Ltd., invited applications for 45,000 Equity Shares of ₹ 100 each at a [12]
 discount of 5%. The amount is to be paid as follows:

| | |
|-------------------------|------|
| On Application | ₹ 20 |
| On Allotment | ₹ 35 |
| On First and Final Call | ₹ 40 |

The public applied for 40,000 shares which were allotted. All money due were received in full with the exception of Mr. Suresh who failed to pay the first and final call on 4,000 shares. All these shares were forfeited. 1,000 of these shares were reissued to Mr. Ramesh as fully paid-up for a payment of ₹ 90 per share. Give journal entries in the books of company.

Q.2 Atlas Co. Ltd., was incorporated on 1st August, 2018 to take over the business [12]
 of Alpha Co. as a going concern from 1st April, 2018. The Profit and Loss A/c for the year ending 31st March, 2019.

Profit & Loss Account Atlas Co. for the year ended 31st March, 2019

| Particulars | ₹ | Particulars | ₹ |
|-------------------------|-----------------|---------------------|-----------------|
| To Rent and Taxes | 12,000 | By Gross Profit b/d | 1,55,000 |
| To Insurance | 3,000 | | |
| To Electricity Charges | 2,400 | | |
| To Salaries | 36,000 | | |
| To Directors' Fees | 3,000 | | |
| To Auditors' Fees | 1,600 | | |
| To Commission | 6,000 | | |
| To Advertisement | 4,000 | | |
| To Discount | 3,500 | | |
| To Office Expenses | 7,500 | | |
| To Carriage | 3,000 | | |
| To Bank Charges | 1,500 | | |
| To Preliminary Expenses | 6,500 | | |
| To Bad Debts | 2,000 | | |
| To Interest on Loan | 3,000 | | |
| To Net Profit | 60,000 | | |
| | 1,55,000 | | 1,55,000 |

The total turnover for the year ending 31st March, 2019 ₹ 5,00,000 dividend into ₹ 1,50,000 for the period upto 1st August, 2018 and ₹ 3,50,000 for the remaining period.

Ascertain the profits earned prior to incorporation and after incorporation of the company.

P.T.O.

- Q.3** The Wilson Ltd., Pune has an Authorised Capital of ₹ 8,00,000 divided into 8,000 Equity Shares of ₹ 100 each. Following is the Trial Balance as on 31st March, 2019. [12]

| Particulars | Debit (₹) | Credit (₹) |
|---|------------------|------------------|
| Share Capital | -- | 8,00,000 |
| Land and Building | 3,60,000 | -- |
| Plant and Machinery | 6,62,400 | -- |
| Loose Tools – Fixed Assets | 37,600 | -- |
| Preliminary Expenses | 19,600 | -- |
| Furniture | 14,400 | -- |
| Cash in Hand | 8,000 | -- |
| 5% Government Bonds (tax free) (Face value ₹ 40,000) | 39,520 | -- |
| Bills Receivable | 54,400 | -- |
| Goodwill | 64,000 | -- |
| Motor Vehicles | 12,000 | -- |
| Sundry Debtors | 83,200 | -- |
| Interim Dividend | 18,000 | -- |
| Repairs | 3,440 | -- |
| Sundry Creditors | -- | 1,22,400 |
| Reserve Fund | -- | 60,000 |
| Profit and Loss A/c (01.04.2018) | -- | 35,200 |
| Purchases and Returns | 9,60,000 | 20,000 |
| Sales and Returns | 28,000 | 12,31,200 |
| Advertisement | 10,160 | -- |
| Audit Fees | 4,000 | -- |
| Carriage Inward | 14,800 | -- |
| Wages | 92,800 | -- |
| Insurance | 19,600 | -- |
| Stock 1.04.2018 | 1,90,400 | -- |
| General Expenses | 17,200 | -- |
| 6% Debentures | -- | 4,00,000 |
| Bank Overdraft | -- | 44,720 |
| Total | 27,13,520 | 27,13,520 |

Adjustments:

- Closing Stock as on 31st March, 2019 ₹ 1,76,800.
- Create Reserve for Bad Debts at 5% on Sundry Debtors.
- Provide Depreciation : Plant and Machinery @5%, Furniture @ 7.5%, Loose Tools @ 15%, Motor Vehicle @ 20%.
- Prepaid Insurance ₹ 1,600.
- Reserve Fund to be increased by ₹ 10,000.
- Wages outstanding ₹ 2,400.
- Interest on Debentures and Government Bonds is due outstanding for the year.
- Directors declared on 16th August, 2018 an interim dividend for six months ending 30th Sept., 2018 @3%.

Prepare statement of Profit and Loss and Balance Sheet in vertical form as per revised schedule VI of the Companies Act, 2013.

Q.4 The Balance Sheet of Producers Ltd., as at 31st March, 2018 is as follows: [12]

| Liabilities | ₹ | Assets | ₹ |
|---|-----------------|------------------------|-----------------|
| Share Capital: | | Fixed Assets : | |
| Issued and fully paid 500 Redeemable Pref. Shares of ₹ 100 each | 50,000 | | |
| 9,000 Equity Shares of ₹ 10 each | 90,000 | Land and Building | 1,00,000 |
| Reserves and Surplus: | | Plant | 30,000 |
| Share Premium | 10,000 | Furniture | 2,000 |
| General Reserve | 20,000 | Current Assets: | |
| Profit and Loss A/c | 25,000 | Stock | 30,000 |
| Current Liabilities | 30,000 | Debtors | 15,000 |
| | | Investments | 28,000 |
| | | Bank | 20,000 |
| Total | 2,25,000 | | 2,25,000 |

The company decided to redeem its Preference Shares at premium of 5% on 30th April, 2018.

A fresh issue of 1,000 Equity Shares of ₹ 10 each was made at ₹ 12 per share, payable in full on 30th April, 2018. These were fully subscribed and all moneys were duly collected. All the investments were sold realizing ₹ 27,000. The Directors wish that only a minimum reduction should be made in the revenue reserves.

You are required to give the Journal Entries, including those relating to cash, to record the above transactions.

Q.5 Write short notes on **ANY THREE** of the following: [12]

- a) Issue of shares at premium
- b) Reissue of forfeited shares
- c) Profit prior to incorporation
- d) Issue of debentures
- e) As – 6: Depreciation accounting

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