

**BACHELOR OF COMMERCE (CBCS-2016 COURSE)**  
**S.Y. B.Com. Sem-III :SUMMER- 2022**  
**SUBJECT : CORPORATE ACCOUNTING-I**

Day : Saturday  
 Date : 2/7/2022

**S-14419-2022**

Time : 03:00 PM-06:00 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** Amay Electronics Ltd. was newly formed with an authorized capital of Rs. (12) 10,00,000 divided into 10,000 Equity-shares of Rs. 100 each. The company issued 6000 Equity-shares to the public for subscription at a premium of 10% payable as follows.

On application	Rs. 20
On Allotment	Rs. 40 (Including Premium)
On first and final call	Rs. 50

Applications for 10,000 shares were received and allotment was made to the applicants of 6,000 shares the remaining applications were rejected and application money was refunded. All the shareholders paid the allotment and call money except Mr. Ajay who failed to pay call money on 80 shares. His shares were forfeited and forfeited shares were reissued to Vishal at Rs. 80 per share.

**Q.2** Ariel Co. Ltd. was incorporated on 1<sup>st</sup> August 2017 to take over the business of Surf (12) Co. as a going concern from 1<sup>st</sup> April 2017. The Profit and Loss A/C for the year ending 31<sup>st</sup> March 2018.

**Profit and Loss A/C of Ariel Co Ltd.**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
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 Auditor's fees	1,600		
To Director's fees	3,000		
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 Exp.	6,500		
To Bad debt	2,000		
To Interest on loan	3,000		
To Net profit c/d	60,000		
	<b>1,55,000</b>		<b>1,55,000</b>

The total turnover for the year ending 31<sup>st</sup> March 2018 was Rs. 5,00,000 divided into Rs. 1,50,000 for the period upto 1<sup>st</sup> August 2017 and Rs. 3,50,000 for the remaining period.

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

**P.T.O.**

- Q.3** Cibaca Ltd. was registered with an authorized capital of Rs. 5,00,000 divided into 5,000 Equity shares of Rs. 100 each. The Trial balance as on 31<sup>st</sup> March 2018 is as follows. (12)

**Trial Balance as on 31<sup>st</sup> March 2018**

<b>Debit Balance</b>	<b>Rs.</b>	<b>Credit Balances</b>	<b>Rs.</b>
Purchases	2,53,000	Sales	5,09,000
Trade investment	25,000	P & L A/C Balance on 1/4/2017	35,000
Business premises	1,80,000	Deposit from public (Unsecured)	14,700
Raw material as on 1/4/2017	11,900	Interest on trade investment	2,500
Freight outward	4,800	Unclaimed dividend	3,300
Salaries and wages	64,400	Trade payables	1,04,000
Motor vehicles	40,000	Share capital	3,50,000
Staff welfare expenses	9,100	Acceptances	18,900
Repairs to building	17,300	Rent payables	8,000
Cash in hand	8,500	8% debentures	50,000
Bank balance	29,600	Pension fund	13,000
Sales return	9,000	Dividend equalization fund	25,000
Trade receivables	1,80,000	Provision for employee benefits	6,500
Freight inward	5,100	Purchase return	13,000
Bills receivables	30,300	Sundry income received in Advance	300
Furniture and fixtures	50,000	Capital reserve	7,500
Contribution to P.F.	2,000	Other operating revenue	10,000
Bad debt	3,100	Debenture redemption reserve	11,000
Power and fuel	9,300	Miscellaneous income received	2,700
Goodwill	40,000	Bank overdraft	14,600
Insurance	13,100	Bank interest	1,000
Plant	2,00,000		
Rent and taxes	8,000		
Under writer's commission	6,000		
Interest receivable on investments	500		
	<b>12,00,000</b>		<b>12,00,000</b>

**Adjustments :**

1. Stock of raw material as on 31<sup>st</sup> March 2018 amounted to Rs. 17,000.
2. Interest on Debenture is outstanding for the year.
3. Provide depreciation @ 5 % p.a. on business premises and motor vehicles as per straight line method.
4. Provision for bad and doubtful debt is to be made 5 % on trade Receivables.
5. The director proposed a dividend of 8 % on equity paid up capital.
6. Provide Rs. 21,100 for Taxation.

You are required to prepare a statement of Profit and Loss for the year ended 31<sup>st</sup> March 2018 and a Balance sheet as on that date in vertical form as per revised scheduled VI of the Companies Act 2013.

**Q.4** Belapur Paper Mills Ltd. has an authorized share capital of Rs. 20,00,000. Its Balance Sheet as on 31<sup>st</sup> March 2018 is as follows. **(12)**

**Balance Sheet**  
**As on 31<sup>st</sup> March 2018**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
<u>Share Capital</u> 60,000 Equity Shares of Rs. 10 each	6,00,000	Fixed Assets	9,80,000
30,000 5% Redeemable Pref. Shares of Rs. 10 each	3,00,000	Investments	2,00,000
Share Premium A/C	2,70,000	Current Assets	5,40,000
General Reserve	4,00,000	Bank Balance	1,80,000
Profit and Loss A/C	2,30,000		
Sundry Creditors	1,00,000		
	<b>19,00,000</b>		<b>19,00,000</b>

The company decided to redeem on 1<sup>st</sup> April 2018 the whole of the preference share capital at a premium of 10% . In order to pay off the preference shareholders. In sold the investments realizing Rs. 1,95,000.

On 1<sup>st</sup> July 2018 the company issued equity bonus shares fully paid in the ratio of one for every Equity Share held on that date.

Pass Journal Entries in the books of company.

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

- a) AS-10 valuation of fixed assets
- b) Difference between share and debentures
- c) Issue of shares at premium
- d) Profit Prior and after incorporation
- e) Forfeiture of shares

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