

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

Day : Friday  
 Date : 1/7/2022

**S-14431-2022**

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

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

Liabilities	Rs.	Assets	Rs.
Share Capital : 2,000 shares of Rs. 100 each	2,00,000	Goodwill	35,000
Reserve fund	20,000	Land and Building	85,000
5% debentures	1,00,000	Plant and Machinery	1,60,000
Loan from A (as director)	40,000	Stock	55,000
Sundry Creditors	80,000	Cash at Bank	34,000
		Discount on Debentures	6,000
		Debtors	65,000
	<b>4,40,000</b>		<b>4,40,000</b>

The business of the company is taken over by Efficient Ltd; as on that date on the following terms:

- i) The Efficient Ltd. to take over all the assets except cash, the assets to be valued at their book values less 10% except Goodwill which was to be valued at Rs. 50,000/-
- ii) The Efficient Ltd. to take over Sundry Creditors which were subject to discount of 5%.
- iii) The purchase consideration was to be discharged in cash to the extent of Rs. 1,50,000 and the balance in fully paid Equity Shares of Rs. 10 each valued at Rs. 12.50 per share.
- iv) The expenses of liquidation amounted to Rs. 4,000.

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

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

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

Liabilities	Rs.	Assets	Rs.
Share Capital : 15,000 7% Preference Shares of Rs. 100 each	15,00,000	Freehold Property	23,75,000
2,75,000 Equity Shares of Rs. 10 each	27,50,000	Plant and Machinery	8,00,000
Share Premium	4,00,000	Goodwill	3,00,000
Sundry Creditors	4,00,000	Stock	3,50,000
		Debtors	2,25,000
		Preliminary Expenses	2,50,000
		Profit and Loss A/c	7,50,000
	<b>50,50,000</b>		<b>50,50,000</b>

**P.T.O.**

The following scheme of reconstruction was approved and duly sanctioned.

- i) Preference Shares to be reduced to Rs. 80 per share.
- ii) Equity Shares to be reduced to Rs. 5 per share.
- iii) Write of all intangible assets and share premium account.
- iv) Freehold Property to be written down to Rs. 18,50,000.

Pass the necessary journal entries in the book of Pravin Ltd., Pune.

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

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

Liabilities	Rs.	Assets	Rs.
Issued Capital : 80,000 shares of Rs.10 each	8,00,000	Fixed Assets	10,00,000
Capital Reserve	1,80,000	Current Assets	4,00,000
Profit and Loss A/C.	40,000	Goodwill	80,000
5 % Debentures	2,00,000		
Current Liabilities	2,60,000		
	<b>14,80,000</b>		<b>14,80,000</b>

On 31<sup>st</sup> March 2019, the Fixed Assets were independently valued at Rs. 11,00,000 and Goodwill at Rs. 1,00,000. The net profits for the last three years were Rs. 1,03,200, Rs. 1,03,300 and Rs. 1,04,000 of which 20% was placed to reserve, this proportion being considered reasonable in the industry in which the company is engaged and where a fair investment return may be taken 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 Nitin Departmental Stores, Pune for the year ended 31<sup>st</sup> March, 2019 having three departments A, B and C. (12)

Particulars	Dept. A Rs.	Dept. B Rs.	Dept. C 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 A to Department B and Goods worth Rs. 5,000 were transferred from Department C to Department B.
- 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 A, B and C respectively.

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

**(12)**

- a) Allocation of expenses in departments
- b) Methods of purchase consideration
- c) Factors affecting valuation of shares
- d) Difference between internal and external reconstruction

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