

**BACHELOR OF COMMERCE (CBCS - 2018 COURSE)**

**S. Y. B. Com. Sem-IV :SUMMER- 2022**

**SUBJECT : CORPORATE ACCOUNTING-II**

Day : Friday  
Date : 1/7/2022

**S-18161-2022**

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 Swarup Ltd., as at 31<sup>st</sup> March 2019. **(12)**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
<b>Share Capital :</b>		Goodwill	70,000
4,000 Shares of Rs. 100 each	4,00,000	Land & Building	1,70,000
Reserve Fund	40,000	Plant & Machinery	3,20,000
5% Debentures	2,00,000	Stock	1,10,000
Loan from A (as director)	80,000	Cash at Bank	6,800
Sundry Creditors	1,60,000	Discount on Debentures	12,000
		Debtors	1,30,000
	<b>8,80,000</b>		<b>8,80,000</b>

The Business of the company is taken over by Strong Ltd., as on that date on the following terms :

- a) The Strong 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. 1,00,000/-.
- b) The Strong Ltd., to take over sundry creditors which were subject to discount of 5%.
- c) The purchase consideration to be discharged in cash to the extent of Rs. 3,00,000/- and balance in fully paid equity shares of Rs.10 each valued at Rs. 12.50 per share.
- d) The expenses of liquidation amounted Rs. 8,000/-.

Show necessary ledger accounts in the books of Swarup Ltd. and the journal entries in the Books of Strong Ltd.

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

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

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

- a) Preference Shares to be reduced to Rs. 80 per share.
- b) Equity Shares to be reduced to Rs. 5 per share.
- c) Write off all intangible assets and share premium account.
- d) Freehold Property to be written down to Rs. 18,50,000.

Give necessary journal entries to record the above transactions in the books of Kiran Ltd. Also prepare a revised Balance Sheet after the scheme of reconstruction as on 31<sup>st</sup> March 2019.

**Q.3** The following is the Balance Sheet of Laxman Ltd. as on 31<sup>st</sup> March 2019. (12)

Liabilities	Rs.	Assets	Rs.
<b>Share Capital :</b>		Land & Building	1,10,000
2,000 shares of Rs. 100 each	2,00,000	Plant and Machinery	1,30,000
General Reserve	40,000	Patents as Trademarks	20,000
Profit and Loss A/c	32,000	Stock	48,000
Sundry Creditors	1,28,000	Debtors	88,000
Income Tax	60,000	Bank Balance	52,000
		Preliminary exp.	12,000
	<b>4,60,000</b>		<b>4,60,000</b>

The expert valuer valued the Land and building at Rs. 2,40,000/- , Goodwill of Rs. 1,60,000/- and Plant and Machinery at Rs. 1,20,000/-. Out of the total debtors it is found that debtors of Rs. 8,000/- are bad. The profits of the company have been as follows :

Year	Rs.
2017	80,000/-
2018	90,000/-
2019	1,06,000/-

The company follows the profits of transferring 25% of profits to general reserve. Similar type of companies even at 10% of the value of this share.

Ascertain the value of company's share under Intrinsic value method, Yield value method and Fair value method.

**Q.4** Trading and Profit and Loss A/c of Grasscutter Ltd Co., for the six months ended 31/3/2019 is presented to you in the following form : (12)

	Amt. Rs.		Amt. Rs.
<b>Purchases ;</b>		<b>Sales :</b>	
Radios (A)	1,40,700	Radios (A)	1,50,000
Gramophones (B)	90,600	Gramophones (B)	1,00,000
Spare parts (C)	64,400	Receipts from Spare parts (C)	25,000
Salaries and wages	48,000	Stock on 31/3/2019	
Rent	10,800	Radios (A)	60,100
Sundry expenses	11,000	Gramophones (B)	20,300
Profit	34,500	Spare parts (C)	44,600
	<b>4,00,000</b>		<b>4,00,000</b>

Prepare Departmental Accounts for each of the three departments A,B and C mentioned above after taking into consideration the following information :

1. Radios and Gramophones are sold at the showroom. Spare parts are sold at the workshop.
2. Salaries and wages comprise as follows :  
Showroom  $\frac{3}{4}$ , workshop  $\frac{1}{4}$  . It was decided to allocate the show room salaries and wages in the ratio of 1:2 between the Departments A and B.
3. The workshop rent is Rs. 500 per month. The rent of the showroom is to be divided equally between the departments A and B.
4. Sundry Expenses are to be allocated on the basis of the turnover of each department.

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

**(12)**

- a) Purchase consideration
- b) Internal reconstruction
- c) Advantages of departmental accounts
- d) Factors affecting valuation of shares
- e) Amalgamation

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