

BACHELOR OF COMMERCE (CBCS - 2018 COURSE)

S. Y. B. Com. Sem-IV : WINTER- 2022

SUBJECT : CORPORATE ACCOUNTING-II

Day : Tuesday

Time : 02:00 PM-05:00 PM

Date : 6/12/2022

W-18161-2022

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 are the summary balance sheet of Sun Ltd., and Moon Ltd., as on 31st March, 2022. **[12]**

Liabilities	Sun Ltd. (₹)	Moon Ltd. (₹)	Assets	Sun Ltd. (₹)	Moon Ltd. (₹)
Share capital	50,000	1,00,000	Fixed Assets	60,000	1,25,000
Reserve Fund	20,000	30,000	Loan to Moon Ltd.	5,000	--
Statutory Reserve	5,000	--	Debtors	15,000	10,000
Creditors	15,000	20,000	Stock	10,000	15,000
Loan from Sun Ltd.	--	5,000	Cash at bank	--	5,000
	90,000	1,55,000		90,000	1,55,000

Moon Ltd., agreed to absorb Sun Ltd., on the following terms:

Moon Ltd., shall give one share of ₹10 each at ₹ 35/- per share for every 3 shares held in Sun Ltd., the amount for the fraction of shares shall be paid in cash calculated as per the market price of the share of Moon Ltd.

Stock of Sun Ltd., includes goods worth ₹ 7,500/- purchased from Moon Ltd., which has profit margin of 20% on cost.

Debtors of Moon Ltd., includes ₹ 2,500/- being amount due from Sun Ltd., but the creditors of Sun Ltd., includes ₹ 2,000 /-only being the amount due to Moon Ltd. The difference between debtors and creditors is due to cash in transit.

The shares of Moon Ltd., are quoted in the market at ₹ 45/- per share.

You are required to pass journal entries in the books of Moon Ltd. Statutory reserve is to be maintained for 3 years more.

OR

Explain the difference between Amalgamation, Absorption and External Reconstruction.

Q.2 Following was the books of Neeta Ltd., as on 31st March, 2022. **[12]**

Liabilities	Amount (₹)	Assets	Amount (₹)
Share capital		Goodwill	10,000
16,000 equity shares of ₹ 10 each	1,60,000	Plant and Machinery	1,30,000
10,000 6% preference shares of ₹ 10 each	1,00,000	Patents	25,000
Share premium	30,000	Debtors	15,000
Sundry Creditors	50,000	Freehold property	56,000
		Stock	24,000
		Profit and loss account	55,000
		Preliminary expenses	25,000
	3,40,000		3,40,000

Additional information:

- a) 6% Preference Shares of ₹ 10/- each are to be reduced to ₹ 9/- per share.
 - b) Equity shares of ₹ 10/- each are to be reduced by ₹ 8.75/- per share.
 - c) Share premium account is to be utilized.
 - d) Intangible assets include patent to be written off.
 - e) Plant and Machinery to be revalued at ₹ 90,000/-.
 - f) 1 equity share of ₹ 1.25/- to be issued for each ₹ 10/- gross preference dividend which was in arrears. This preference dividend was in arrear for 4 years.
- Pass journal entries in the books of the company and prepare the balance sheet after internal reconstruction.

P.T.O.

OR

Explain internal reconstruction. State its need.

Q.3 Calculate the fair value per share from the following information: [12]

Balance sheet as on 31st March, 2020

Liabilities	Amount (₹)	Assets	Amount (₹)
Share capital (₹ 10 per share)	20,00,000	Fixed Assets	30,80,000
Reserves and surplus	8,30,000	Current Assets	10,00,000
Current liabilities	12,50,000		
	40,80,000		40,80,000

For the purpose of valuation. Goodwill, fixed assets and current assets were valued ₹ 2,50,000/-, ₹ 33,00,000/- and ₹ 9,50,000/-. The average profit for the last five years were ₹ 5,00,000/-. The company generally transfers 20% profit to reserve. The Market yield of similar type of shares is 12%.

OR

Explain valuation of shares and yield method of valuation.

Q.4 Following figures are extracted from the books of Rekha departmental stores. [12]

Particulars	X (₹)	Y (₹)	Z (₹)
Purchases	1,00,000	1,50,000	4,00,000
Return outward	10,000	5,000	15,000
Sales	3,05,000	6,10,000	9,15,000
Return inward	5,000	10,000	15,000
Wages	20,000	30,000	40,000
Stock on 1 st April, 2020	25,000	35,000	5,000
Stock on 31 st March, 2021	40,000	25,000	20,000

Additional information:

- Goods transferred from X to Y ₹ 5,000/- and to Z ₹ 10,000/-.
 - Goods transferred from Y to X ₹ 2,500/- and to Z ₹ 5,000/-.
 - Goods transferred from Z to X ₹ 3,500/- and to Y ₹ 4,500/-.
 - Telephone charges ₹ 3,000/- and salaries ₹ 3,000/-.
 - Rent ₹ 24,000/- in the ratio 1:1:2.
 - Others expenses are discount allowed ₹ 12,000/- and Bad debts ₹ 15,000/-.
- Prepare departmental trading, profit and loss account on appropriate base of allocation.

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

- Amalgamation
- Fair value method
- Reduction of capital
- Departmental account

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