

B.Com.(Part—II) Examination
CORPORATE ACCOUNTING
(Commerce)

Time : Three Hours]

[Maximum Marks : 70

Note :— (1) Attempt all FIVE questions.

(2) All questions carry equal marks.

1. (A) Rajat Co. Ltd. made an offer of 1,00,000 equity shares of Rs. 50 each payable as follows :

On Application Rs. 10 per share

On Allotment Rs. 10 per share

On First Call Rs. 15 per share

On Final Call Rs. 15 per share

Shri Vijay to whom 5,000 shares were allotted failed to pay First and Final Call amount and his shares were forfeited.

All the forfeited shares were re-issued to Shri Ramesh as fully paid on payment of Rs. 45 per share.

You are required to show the journal entries for recording the forfeiture and re-issue of the shares. 3

- (B) Ritesh Company Ltd. issued 50,000 shares of Rs. 50 each, payable as follows :

On Application Rs. 10 per share

On Allotment Rs. 10 per share

On First Call Rs. 15 per share

On Final Call Rs. 15 per share

All the shares are subscribed and account received in full. Prepare "Share Capital Account". 3

- (C) Rajesh Company Ltd. issued 1,00,000 shares of Rs. 100 each at a premium Rs. 20 per share payable as follows :

On Application Rs. 20 per share

On Allotment (Including premium) Rs. 60 per share

On First Call Rs. 20 per share

On Final Call Rs. 20 per share

All the shares are subscribed and amount received in full. Prepare 'Bank Account'. 4

- (D) 'X' Company Ltd. issued 1,00,000 equity shares of Rs. 100 each at the premium of Rs. 20 each. The terms were as under :

With Application Rs. 20 per share

At Allotment Rs. 40 per share (including premium)

At First Call Rs. 40 per share

and remaining at Final Call.

All the amounts that are called are received in due period. Give Journal entries in the books of the company. 4

OR

- (E) Roopali Company Ltd. issued 1,00,000 shares of Rs. 10 each payable as follows :

On Application Rs. 2 per share
On Allotment Rs. 2 per share
On First Call Rs. 3 per share
On Final Call Rs. 3 per share

Mona to whom 500 shares were allotted failed to pay First and Final Call amount and her share were forfeited.

All the forfeited shares were re-issued to Shyam as Fully Paid on Payment of Rs. 9 per share.

Show the Journal entries, recording the forfeiture and re-issue of the shares. 3

- (F) 'X' Company Ltd. issued 10,000 shares of Rs. 10 each at a premium of Rs. 2 per share, payable as follows :

On Application Rs. 2 per share
On Allotment Rs. 5 per share (Including Premium)
On Final Call Rs. 5 per share

All the shares were subscribed to and money received in full. Prepare a "Share Capital Account". 3

- (G) Vijay Company Ltd. issued 1,00,000 shares of Rs. 100 each at premium of Rs. 5 per share payable as follows :

On Application Rs. 20 each
On Allotment Rs. 30 each (with premium)
On First Call Rs. 30 each and remaining on Final Call.

All shares are subscribed and amounts received in full "Prepare Bank Account". 4

- (H) Explain the methods of issuing shares. 4

2. (A) From the following information prepare a "Trading Account" of Nanda Company Ltd. for the year ended 31st March, 2017 :

Particulars	Rs.
Stock (1-4-2017)	5,00,000
Sale	16,00,000
Sale-return	34,000
Coal, Gas and Water	60,000
Purchase	10,00,000
Purchase-return	68,000
Wages	4,28,000
Salary and Wages	10,000
Carriage outwards	40,000

Value of stock as on 31st March, 2017 Rs. 6,00,000. 3

- (B) From the following balances prepare the Profit and Loss Account of Sonali Co. Ltd. ending on 31st March, 2017 :

Particulars	Rs.
Gross Profit	5,40,000
Discount paid	12,000
Insurance	18,000
Salary	1,20,000
Travelling Expenses	57,000
General Expenses	75,000
Rent and Taxes	57,000

Adjustment :

- (i) Prepaid Insurance Rs. 1,000
(ii) Unpaid Salary Rs. 11,000. 3
- (C) Prepare "Profit and Loss Appropriation Account" of Sujata Co. Ltd. for the year ended 31st March, 2017 :

Profit of Current Year	6,40,000	
Profit of Last Year	4,50,000	
Interim Dividend	2,50,000	
Final Dividend	3,50,000	
Transfer to Reserve Fund	2,50,000	
Dividend of Last Year	1,50,000	4

- (D) Prepare the "Balance Sheet" of Rohit Co. Ltd. as on 31st March, 2017 :

	Rs.	
Plant and Machinery	7,10,000	
Sundry Creditors	24,00,000	
Bank Overdraft	50,000	
Sundry Debtors	7,24,000	
Goodwill	5,00,000	
Leasehold Property	56,00,000	
Share Capital	50,00,000	
Stock in Trade	9,70,000	
Cash	6,000	
Profit and Loss A/c (Dr.)	9,30,000	
Reserve Fund	9,95,000	
Bills Payable	9,95,000	4

OR

(F) Prepare the 'Trading Account' of Umesh Co. Ltd. for the year ended on 31st March, 2017 :

	Rs.	
Opening Stock	3,29,860	
Purchases less return	20,86,180	
Wages	3,89,570	
Factory expenses	33,840	
Sales less return	29,99,120	
Factory fuel and lighting	28,620	
Salary of Factory Manager	30,410	
Closing Stock	4,69,420	3

(F) From the following figures prepare Profit and Loss A/c as on 31st March, 2017 :

	Rs.	
Salary	1,32,000	
Audit Fees	18,500	
Directors Fees	5,500	
Gross Profit	3,52,500	
Carriage Inwards	5,100	
Insurance	13,800	
Discount Received	21,350	
Share Transfer Fees	8,350	
Sales Tax	12,100	
Carriage Inwards	5,100	3

(G) From the following information prepare 'Profit and Loss Appropriation Account' for the year ended 31st March, 2017 :

	Rs.	
Provision for tax	20,000	
Transferred to Divided Equalisation Fund	2,000	
Transferred to General Reserve Fund	9,500	
Dividend on Preference Shares	4,500	
Dividend on Equity Shares	2,500	
Profit and Loss Account (Cr.) (1-4-2016)	7,000	
Net Profit (31-3-2017)	60,000	4

(H) Prepare the Balance Sheet of 'Y' Company Ltd. as on 31st March, 2017 :

Particulars	Rs.	
Authorised Capital	12,50,000	
Profit and Loss A/c (Dr.)	2,50,000	
Loan to Employees	57,500	
Creditors	50,000	
Debtors	2,00,000	
Cash	2,25,000	
Preliminary Expenses	17,500	
Share Capital	7,50,000	
Closing Stock	50,000	4

3. (A) Shilpa Co. Ltd. went into Liquidation on 1st April, 2017. Prepare the Liquidators Final Statement of Account :

Particulars	Rs.
Secured Creditors	1,03,750
Preferential Creditors	10,000
Unsecured Creditors	50,000
Liquidation Expenses	1,020
Realisation of Assets	1,60,000

Remuneration of 3% on realised assets and 2% on the amount distributed to unsecured creditors. 3

(B) The following particulars are available of business carried by Shri Vivek :

(i) Capital employed 2,00,000

(ii) Trading Profit :

2013 – 18,000

2014 – 22,000

2015 – 21,000

2016 – 24,000

2017 – 26,000

(iii) Normal Rate 10%.

Compute the value of Goodwill on the basis of 4 years purchase of Super Profit Method. 3

(C) Calculate Liquidators remuneration from the following information :

(i) Amount available for unsecured creditors and liquidators

remuneration 1,40,000

(ii) Unsecured Creditors 1,60,000

The Liquidators is allowed 4% remuneration on account paid to unsecured creditors. 4

(D) Explain needs of the valuation of shares. 4

OR

(E) From the following information, compute the value of Goodwill as per Annuity Method :

Average Capital Employed Rs. 15,00,000

Normal rate of Profit 10%

Profit for 2013 – Rs. 3,10,000, 2014 – Rs. 2,83,000, 2015 – Rs. 3,55,000.

Profit for 2014 has been arrived at after writing off abnormal losses of Rs. 25,000 and profit of 2015 includes a nonrecurring income of Rs. 43,000. Goodwill is to be calculated on the basis of Annuity of 3 years purchase of super profits. The present value of Annuity of Re. 1 for 3 years at 10% is Rs. 2.4868. 3

(F) The following information is available of a company which has gone into Voluntary Liquidation. The Liquidators remuneration is to be calculated at 3% on the amount of realised and 3% on the amount distributed to the Unsecured Creditors :

(i) Following amount were received on assets :

(a) Furniture 50,000

(b) Land and Building 10,00,000

(c) Machinery 9,32,500

(ii) Liquidation Expenses 50,000

(iii) Preferential Creditors 5,00,000

(iv) Unsecured Creditors 16,00,000

(v) Debentures 5,00,000

Prepare the 'Liquidators' Final Statement of Account. 3

(G) Explain any one method of Valuation of Shares. 4

(H) Calculate Liquidators remuneration from the following information :

Rs.

(i) Amount available for Unsecured Creditors and

Liquidators Remuneration 5,50,000

(ii) Unsecured Creditors 6,00,000

The Liquidators is allowed 6% remuneration on amount paid to Unsecured Creditors. 4

4. Nikhil Co. Ltd. was incorporated on 1st January, 2016 and received its certificate for commencement of business on 1st April, 2016.

Total Sales of the year Rs. 9,60,000 out of which sales upto 31st March were Rs. 4,00,000 and upto 31st December, 2016 Rs. 5,60,000.

Gross Profit for the year is Rs. 2,88,000

The expenses debited to the Profit and Loss Account were :

Particulars	Rs.
Salary	24,000
Stationary	5,760
Advertisement	28,800
Rent	14,400
General Expenses	7,680

Particulars	Rs.
Discount Allowed	5,760
Depreciation	38,400
Director Fee	7,680
Commission on Sales	9,600
Audit Fee	2,400
Interest on Debentures	8,000

Bad Debts Rs. 1,600 (Rs. 600 related to Debts created prior to incorporation)

Find out the profit earned prior to and after the incorporation of the company. 14

OR

'A' Company Ltd. and 'B' Company Ltd. were amalgamated into 'C' Company Ltd. on the basis of following Balance Sheets and information :

Balance Sheets

'A' and 'B' Company Ltd.

Liabilities	'A' Com. Ltd. Rs.	'B' Com. Ltd. Rs.	Assets	'A' Com. Ltd. Rs.	'B' Com. Ltd. Rs.
Paid up Capital	2,24,000	1,75,000	Goodwill	80,000	32,000
Creditors	5,000	6,000	Land	50,000	60,000
Reserve	8,000	12,000	Plant	41,000	10,000
Profit and Loss			Stock	42,000	33,000
Account	11,000	4,000	Debtors	23,000	40,000
			Cash	12,000	22,000
	2,48,000	1,97,000		2,48,000	1,97,000

It was agreed in respect of both the Companies. The value of Land of 'A' Company Ltd. is Rs. 45,000 and 'B' Company Ltd. is Rs. 54,000 and debtors of 'A' Company Ltd. is Rs. 21,850 and 'B' Company Ltd. is Rs. 38,000. The value of Goodwill of 'A' Company Ltd. is Rs. 12,000 and 'B' Company Ltd. is Rs. 5,000.

Find out purchase consideration and pass the Journal entries in the books of 'C' Company Ltd.

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5. Balance Sheet of the Anil Company Ltd. is as follows. Prepare a statement of change in Working Capital and Fund Flow Statement :

Balance Sheet

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Share Capital	10,00,000	12,50,000	Land & Building	10,00,000	9,50,000
General Reserve	2,50,000	3,00,000	Plant	7,50,000	8,45,000
Profit & Loss A/c	1,52,500	1,53,000	Stock	5,00,000	3,70,000

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Bank Overdraft	3,50,000	–	Debtors	4,00,000	3,21,000
Creditors	7,50,000	6,76,000	Cash	2,500	3,000
Tax provision	1,50,000	1,75,000	Bank	–	40,000
			Goodwill	–	25,000
	26,52,500	25,54,000		26,52,500	25,54,000

Other information is as follows :

- (i) Dividend paid Rs. 1,15,000
- (ii) Depreciation on plant Rs. 70,000
- (iii) Tax provision for current year Rs. 1,65,000

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OR

Manish Company Limited Balance Sheet are as follows :

Particulars	2016 (Rs.)	2015 (Rs.)
Liabilities :		
Share Capital	1,20,000	1,00,000
Profit and Loss A/c	45,000	25,000
Debentures	75,000	50,000
Creditors	15,000	10,000
Bills payable	2,000	1,000
Provision for depreciation :		
Building	11,000	8,000
	2,68,000	1,94,000
Assets :		
Goodwill	13,000	15,000
Building	45,000	50,000
Machinery	1,22,000	1,01,000
Investment	60,000	–
Debtors	12,000	13,000
Stock	11,000	12,000
Cash	4,500	2,000
Preliminary expenses	500	1,000
	2,68,000	1,94,000

Additional Information :

- (i) Building of Rs. 5,000 depreciation charged, Rs. 500 is sold for Rs. 6,000.
- (ii) Interim dividend paid Rs. 15,000.

Prepare Fund Flow Statement.

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