

M.com (Semester II) Examination April 2019
COC201 Corporate Accounting (OA-18) NEW

SRN - 15

Duration: 3 Hours

Max. Marks 60

Instructions:-

- i) This paper consists **Nine Questions** Carrying **equal marks**.
- ii) Question No.1 consists of **5 compulsory** questions of **2 marks** each.
- iii) Answer **any 5** questions from question 2,3,4,5,6,7,8 and 9.
- iv) Each question carries **10 Marks**. Figures to the **right** indicate marks.

Q.No	Question	Marks																																																			
1	<p>a) Explain the various list to be attached to statement of affairs.</p> <p>b) Mention any four advantage of Tally ERP.</p> <p>c) Distinguish between Internal Reconstruction and External Reconstruction.</p> <p>d) State the main limitation of Financial Statement.</p> <p>e) Ram Ltd. absorbed by Sita Ltd. agrees to make the following payments:-</p> <ol style="list-style-type: none"> a. Cash @ Rs. 7 per shares for 10000 shares of Rs 10 each issued by Ram Ltd. b. Issue two shares of Rs10 each for every five share held in Ram Ltd. c. Rs 45000 cash to creditors of Ram Ltd. in the final settlement of their account. d. Discharge of Rs 200000 , 10% Debentures if Ram Ltd. at 10 % premium by issuing 9 % Debentures in Sita Ltd. at par. <p>Determine Purchase consideration.</p>	5x2=10																																																			
2	<p>Following was the Trial Balance of Lalit Trading Co. Ltd. as at 31st March 2019.</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Dr(Rs.)</th><th>Cr(Rs.)</th></tr> </thead> <tbody> <tr> <td>Inventory on 1st April 2018</td><td>30000</td><td></td></tr> <tr> <td>Building</td><td>150000</td><td></td></tr> <tr> <td>Purchase</td><td>100000</td><td></td></tr> <tr> <td>Sales</td><td></td><td>180000</td></tr> <tr> <td>Return</td><td>5000</td><td>4000</td></tr> <tr> <td>Productive wages</td><td>20000</td><td></td></tr> <tr> <td>Carriage Inwards</td><td>1500</td><td></td></tr> <tr> <td>Carriage outwards</td><td>900</td><td></td></tr> <tr> <td>Discount</td><td>1200</td><td>1000</td></tr> <tr> <td>Salaries</td><td>2600</td><td></td></tr> <tr> <td>Rent</td><td>1650</td><td></td></tr> <tr> <td>Commission</td><td></td><td>1200</td></tr> <tr> <td>General Expenses (including Insurance)</td><td>5500</td><td></td></tr> <tr> <td>Profit and Loss Balance (1 April 2018)</td><td></td><td>12000</td></tr> <tr> <td>Interim Dividend Paid</td><td>9900</td><td></td></tr> <tr> <td>Capital (2000shares of Rs100 each)</td><td></td><td>200000</td></tr> </tbody> </table>	Particulars	Dr(Rs.)	Cr(Rs.)	Inventory on 1st April 2018	30000		Building	150000		Purchase	100000		Sales		180000	Return	5000	4000	Productive wages	20000		Carriage Inwards	1500		Carriage outwards	900		Discount	1200	1000	Salaries	2600		Rent	1650		Commission		1200	General Expenses (including Insurance)	5500		Profit and Loss Balance (1 April 2018)		12000	Interim Dividend Paid	9900		Capital (2000shares of Rs100 each)		200000	10
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Calls in arrears(on 100 shares)	2000	
Trade Receivable and Payables	50000	20300
Plant and Machinery	87750	
Cash in hand	800	
10% Debentures		50000
Interest paid on Debentures	2500	
Debenture Redemption Fund		10000
Shares Issue Expenses	7200	
	478500	478500

Prepare Profit and Loss statement and Balance sheet in proper form, after making the following adjustments.

1. Closing Inventory was valued at Rs. 40000.
2. Trade Receivables includes Rs 1000 as advance for expenses.
3. Provide 5% on Trade Receivables for doubtful Debts. Also 2% for discount on Trade Receivable and Payables.
4. One month's rent @ Rs1800 per annum was due on 31.03.19.
5. Insurance was paid on 1st October 2018 to run for one year Rs2000.
6. Write off 1/3rd of shares issue expenses.
7. The Directors decided to transfer Rs. 5000 to General reserve and recommended a Final Dividend of 10 % on Share Capital .
8. Provide for Corporate Dividend Tax at 10 %.

3. The following are the balance sheet of A Ltd and B Ltd as at 31st March 2019

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Particulars	A Ltd	B Ltd
I. Equity and Liabilities :		
Shareholder's Fund		
Equity Shares Capital (Rs.10 each)	3000000	800000
11% Preferences Share Capital	-	260000
General Reserve	1200000	300000
Statutory Reserve	120000	35000
Profit & Loss	135000	63000
Non Current Liabilities		
12% Debentures	-	75000
Current Liabilities	355000	215000
	4810000	1748000

II. Assets:		
Fixed Assets	3500000	1028000
Current Assets	1310000	720000
	4810000	1748000

On 1st April 2019 A Ltd. takes over B Ltd. on the following terms:-

- A Ltd. will issue 100000 equity shares of Rs.10 each at par to the equity shareholders of B Ltd.
- A Ltd. will issue 3000 11% preference shares of Rs.100 each at par to the preference shareholders of B Ltd.
- The debentures of B Ltd. will be taken over by A Ltd. and then converted into an equal number of 13% debentures by the same denomination.

You are required to pass journal entries and ledger account in the books of B Ltd. and also pass the journal entries in the books of A Ltd. after amalgamation, assuming that, amalgamation in the nature of merger.

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The following is the Balance Sheet of Janvi Ltd. as at 31st March 2019:

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Particulars	Note no	Amount
I Equity and Liabilities		
Shareholder's funds		
20000 Equity Shares of Rs 10 each fully paid up		200000
10% Preference shares of Rs 100 each Fully Paid up		50000
Profit & loss		(185000)
Non Current Liabilities		
9% Debentures		100000
Current Liabilities		
Trade payable		330000
creditors for Expenses		20000
		515000
II Assets		
Non -current Assets		
Land and Building		200000
Machinery		130000
Patents		40000
Current Assets		
Inventories		80000
Trade Receivable		55000
Share Issue Expenses		10000
		515000

With a view to reconstruct the company it is proposed:-

- To reduce each Equity shares by Rs9 each.

- 2) Preference shares by Rs 40 each
- 3) Machinery to Rs 80000
- 4) Inventories by Rs 10000
- 5) To provide Rs15000 for bad debts
- 6) To write off all the intangible Assets
- 7) To raise the rate of Preference dividend to 12 % and Debenture interest to 10 %.

Assuming that the aforesaid proposal are duly approved and sanctioned. Pass Journal entries and show the Reconstructed Balance Sheet.

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- 5 From the following particulars of Goa Urban Cooperative Bank Ltd. prepare Profit & Loss account for 2018-19:

	Rs
Interest on Loan	69800
interest on Fixed Deposits	73000
Rebate on bill Discounted	9600
Commission Charged on customer	1820
Office Expenses	31000
Discount on Bills discounted	38800
Interest on cash Credit	44800
Balance of Profit and loss Account	2400
Directors Remuneration	840
Interest on saving Deposits Account	13800
Postal Expenses	300
Printing and stationery	780
other expenses	360
Rent and Taxes	3600
Interest on Overdraft	25600

- 6 From the Balance Sheets given below, Prepare Consolidated Balance sheet of X Ltd. and its subsidiary Y Ltd. The interest of minority shareholders in Y Ltd. is to be shown as a separate item in the Consolidated Balance Sheet.

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Balance Sheets of X and Y LTD.

Particulars	Note no	Amount	
		X Ltd.	Y Ltd.
I Equity and Liabilities			
shareholder's funds			
Share Capital	1	2,40,000	60,000
Reserve and Surplus	2	74,000	30,000
Current Liabilities			
Trade Payables		30,000	10,000
		2,44,000	100,000
II Assets			
Fixed Assets	3	2,04,000	70,000

Non -Current Investment	4	50,000	
Current assets			
Inventories		36,000	6,000
Trade Receivables		44,000	14,000
Cash and Cash Equivalents		10,000	10,000
		2,44,000	100,000

Notes:-

H Ltd.

S Ltd.

1. Share Capital

Issued Subscribed and Paid up
Equity share of Rs10 each fully paid up 2,40,000 60,000

2. Reserve and Surplus

General Reserve 50,000 12,000
Surplus i.e. credit balance of P&L A/c 24,000 18,000
74,000 30,000

3. Fixed Assets

Building 144,000 -
Leasehold Property - 50,000
Plant & Machinery 60,000 20,000
2,04,000 70,000

4. Non- Current investments

4,000 fully paid equity shares in S Ltd. at cost 50,000

At the date of the date of acquisition by X Ltd., of its holding of 4,000 shares in Y Ltd. the later company had undistributed surplus of Rs.10,000, none of have been distributed since acquisition

7. Nitin Ltd. went into liquidation on 31st December 2018 when their balance sheet read as follows:

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liabilities	Amount	Assets	Amount
10,000, 10% Preference share of Rs 100 each fully paid up	2000000	land & Building	1000000
5,000 Equity shares of Rs 100 each, Rs 75 paid	750000	Machinery	2500000
15,000 Equity shares of Rs 100 each, Rs 60 paid	1800000	Patents	400000
15% Debentures secured	1000000	Stock	550000
Interest Outstanding on Debentures	150000	Debtors	1100000
Creditors	1275000	Cash	300000
		Profit & loss	1125000
	6975000		6975000

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	<p>Preference Dividends were arrears for 2 year and the Creditor included Preferential Creditors of Rs 152,000.</p> <p>The assets realized as follows</p> <p>Land & Building Rs 12,00,000, Machinery & Plant Rs20,00,000, Patents Rs 300,000, Stock Rs 6,00,000, Debtor Rs 8,00,000.</p> <p>The expenses of liquidation amounted to Rs 109000 the liquidator is entitled to a commission of 3% on assets realized except cash. Show the Liquidator's Final Statement of Account.</p>	
8.b	Explain the significance of Environmental Accounting and Forensic Accounting in the present Era.	10
9.a	Explain the various factors responsible for variation in accounting practices in different countries.	05
9.b	Explain the importance of Accounting Standards in harmonizing the uniform Accounting practices.	05

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