



**M.Com. (Semester – II) Examination, November 2016**  
**COC 201 – CORPORATE ACCOUNTING (OA – 18)**

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.

1. Answer the following questions in brief : (5×2=10)

- a) Explain the various list to be attached to statement of affairs.
- b) Mention any four advantage of Tally ERP.
- c) Distinguish between Internal Reconstruction and External Reconstruction.
- d) State the main limitation of Financial statement.
- e) Ram Ltd. absorbed by Sita Ltd. agrees to make the following payments :
  - a) Cash @ Rs. 7 per shares for 10000 shares of Rs. 10 each issued by Ram Ltd.
  - b) Issue two shares of Rs. 10 each for every five share held in Ram Ltd.
  - c) Rs. 45,000 cash to creditors of Ram Ltd. in the final settlement of their account.
  - d) Discharge of Rs. 2,00,000, 10% Debentures if Ram Ltd. at 10% premium by issuing 9% debentures in Sita Ltd. at par.

Determine Purchase Consideration.

2. On 31<sup>st</sup> March 2014, Jai Ltd. adopted the following scheme of Reconstruction : 10

- 1) The Preference shares are to be reduced to fully paid shares of Rs. 75 each and Equity shares are to reduced to shares of Rs. 40 each fully paid.
- 2) The Debenture holders took over Inventories and Trade Receivable in full satisfaction of their claims.





- 3) Fictitious and Intangible assets are to be eliminated.
- 4) Land and building to be appreciated by 30% and Machinery to be depreciated by 33.33%.
- 5) Expenses of Reconstruction amounted to Rs. 4,500.

The following is the Balance Sheet of Jai Ltd. as at 31<sup>st</sup> March 2014.

### Balance Sheet of Jai Ltd.

Particulars	Note No.	Amount (Rs.)
<b>I Equity and Liabilities</b>		
Shareholder's funds		
Share capital		
3000, 5% Preference shares of Rs. 100 each		3,00,000
6000 Equity shares of Rs. 100 each		3,00,000
Profit and Loss balance		(3,50,000)
Non Current Liabilities		
6% Debentures		1,50,000
Bank Loan		1,50,000
Current Liabilities		
Trade payable		75,000
<b>Total</b>		<b>9,25,000</b>
<b>II Assets</b>		
Non-current Assets		
Land and Building		3,00,000
Machinery		4,50,000





Goodwill	22,500
Current Assets	
Inventories	65,000
Trade Receivable	70,000
Share Issue Expenses	10,000
<b>Total</b>	<b>9,25,000</b>

3. Following was the Trial Balance of Usha Trading Co. Ltd. as at 31<sup>st</sup> March 2015.

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Particulars	Dr. (Rs.)	Cr. (Rs.)
Inventory on 1 <sup>st</sup> April 2014	30,000	
Building	1,50,000	
Purchase	1,00,000	
Sales		1,80,000
Return	5,000	4,000
Productive wages	20,000	
Carriage inwards	1,500	
Carriage outwards	900	
Discount	1,200	1,000
Salaries	2,600	
Rent	1,650	
Commission		1,200
General Expenses (including insurance)	5,500	





Profit and Loss Balance (1 April 2014)		12,000
Interim Dividend Paid	9,900	
Capital (2000 shares of Rs. 100 each)		2,00,000
Calls in arrears (on 100 shares)	2,000	
Trade receivable and payables	50,000	20,300
Plant and Machinery	87,750	
Cash in hand	800	
10% Debentures		50,000
Interest paid on debentures	2,500	
Debenture Redemption Fund		10,000
Shares Issue Expenses	7,200	
	<b>4,78,500</b>	<b>4,78,500</b>

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

- 1) Closing inventory was valued at Rs. 40,000
- 2) Trade Receivables includes Rs. 1,000 as advance for expenses.
- 3) Provide 5% on Trade Receivable for doubtful debts. Also 2% for discount on Trade Receivable and Payables.
- 4) One month's rent @ Rs. 1,800 per annum was due on 31-03-15.
- 5) Insurance was paid on 1<sup>st</sup> October 2014 to run for one year Rs. 2,000.
- 6) Write off 1/3<sup>rd</sup> of shares issue expenses.
- 7) The Directors decided to transfer Rs. 5,000 to General reserve and recommended a Final Dividend of 10% on Share Capital.
- 8) Provide for Corporate Dividend Tax at 10%.





4. H. Ltd. acquires the Shares of S Ltd. on 31<sup>st</sup> March 2012 on which date Balance Sheets of the two companies are as under :

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Particulars	Note No.	Amount (Rs.)	
		H. Ltd.	S. Ltd.
<b>I Equity and Liabilities</b>			
Shareholder's Funds			
Share Capital	1	5,00,000	2,00,000
Reserve and Surplus	2	1,00,000	
Current Liabilities			
Trade Payables		80,000	60,000
<b>Total</b>		<b>6,80,000</b>	<b>2,60,000</b>
<b>II Assets</b>			
Fixed Assets			
Land and Building		3,00,000	1,60,000
Plant and Machinery		2,00,000	70,000
Patent		50,000	30,000
Non-Current Investment		1,30,000	
<b>Total</b>		<b>6,80,000</b>	<b>2,60,000</b>
<b>Notes :</b>		<b>H Ltd.</b>	<b>S. Ltd.</b>

1. Share Capital

Issued, Subscribed and paid up

Equity share of Rs. 10 each fully paid up 5,00,000 2,00,000

2. Reserve and Surplus

Reserve 1,00,000

3. Non-Current Investments

60% Equity shares in S Ltd. at cost 1,30,000

Prepare a Consolidated Balance Sheet as at 31<sup>st</sup> March 2012.





5. A Ltd. goes into Liquidation on 31<sup>st</sup> March 2012, having assets appearing in the books as follows :

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Works and Other Properties Rs. 9,00,000, Liquid Assets Rs. 1,00,000.

Its liabilities are Rs. 2,00,000 and its Capital (paid up) Rs. 10,00,000. The business is sold to B Company Ltd. for Rs. 5,00,000 payable as to Rs. 4,50,000 in Equity shares of Rs. 10 each credited with Rs. 7.50 per shares paid up and Rs. 50,000 in cash.

Pass the Journal entry in the books of both the company and also prepare necessary ledger account in the books of A Ltd.

6. a) The following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Final Account, allowing for his remuneration @ 2% on the amount realised and 2% on the amount distributed among unsecured creditors other than preferential creditors :

	Rs.
Preferential Creditors	1,00,000
Unsecured creditors	3,20,000
Debentures	1,00,000

The assets realized the following sums :

Land and building	2,00,000
Plant and machinery	1,86,500
Fixtures and fittings	10,000

The liquidation expenses amounted to Rs. 10,000.

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- b) What is list 'H' of statement of affairs ? Illustrate with imaginary figures.

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7. a) "ERP package is gaining popularity in big organization". Briefly explain the significant advantages of Tally ERP 9. 5
- b) Explain Account Vouchers Maintenance under ERP Tally. 5
8. What do you mean by 'basic accounting concept and convention' ? Discuss in brief some of the important concepts and conventions of accounting. 10
9. a) Distinguish between amalgamation in nature of merger and in the nature of purchase as per A.S – 14. 5
- b) Write a short note : 5
- i) Minority interest
  - ii) Preferential creditors.