

B.Com. (CBCS Pattern) Semester - III
UCA3C06 - Corporate Accounting Paper-I

P. Pages : 7

Time : Three Hours



GUG/S/23/10668

Max. Marks : 60

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) ABC Ltd invited applications for 100000 share of Rs. 10 each at a discount of 6% payables as follows: **6**

On application	Rs. 2.50
On allotment	Rs. 3.40 (after deducting discount)
On first & final call	Rs. 3.50

The applications were received for 90000 shares of all of these were accepted. All money due was received except the first and final call on 1000 share. These share were forfeited by the directors.

Pass Journal entries in the book of the company

- b) XYZ Ltd issued 3000 equity shares of Rs. 100 each at a discount of 10% on these shares payments are to be made as follows: **6**

On application	Rs. 20 per share
On allotment	Rs. 30 per share (including discount)
On first & final call	Rs. 50 per share

Mohan, who is a holder of 800 shares has not paid the first & final call hence his shares have been forfeited.

Pass necessary Journal entries in the books of XYZ Ltd.

OR

- c) On 1st January 2013, the Nagpur commercial Co. Ltd issued 1000. 6% debentures of Rs. 1000 each at Rs. 950 **12**

Terms of issue provided that beginning with 2015 Rs. 50,000 of debentures should be redeemed either by drawing at par or by purchase in the market every year.

The expenses of the issue amounted to Rs. 3000 which were written off in 2013.

The company wrote off Rs. 10,000 for Discount on debentures every year.

In 2015 the debentures to be redeemed were repaid at the end of the year by drawing.

Give journal entries in the books of Nagpur commercial company Ltd from 2013 to 2015.

2. a) From the following balances of 'X' company Ltd. Prepare Trading and profit & loss account for the year ended 31st March 2021. **6**

	Rs.
Opening stock	60,000
Purchases	2,40,000
Sale	3,80,000
Purchases returns	10,000
Sales returns	20,000
Interest on investment	12,000
Salary	20,000
Audit fees	10,000

Wages	50,000
Directors fees	15,000
Printing & stationery	12,000
Buildings	80,000
Bad debts	10,000
Plant & machinery	2,00,000
Insurance	25,000
General reserve	40,000
Freight	15,000

Additional information:

- 1) Closing stock Rs. 1,20,000.
 - 2) Charge 10% Depreciation on building.
 - 3) Transfer Rs. 20,000 to Reserve fund.
- b) From the balance drawn from the book of Birla Trading Co. Delhi, prepare balance sheet on 31st March 2020. 6

	Rs.
Equity share capital	1,50,00,000
General reserve	16,26,000
Calls-in-Arrears	2,30,600
Share premium	20,46,000
Dividend equalization fund	2,50,000
Profit & loss A/c (Cr.)	17,16,314
14% debentures	96,00,000
Creditors	34,52,000
Debtors	37,87,000
Plant & Machinery	1,46,00,000
Furniture	10,71,000
Investments	50,36,200
Preliminary expenses	10,16,000
Stock (31-03-2020)	96,00,000
Cash in Hand & at bank	45,38,400

Following additional information is also provided:-

- 1) Depreciation is charge on plant & machinery @ 10% p.a. and on furniture @ 5% p.a.
- 2) Reserve for Doubtful debt is kept @ 2% on Debtors
- 3) Interest on Debenture is provided for the whole year.
- 4) Interest on investment Rs. 4,02,896 is due but not received during the year
- 5) Dividend @ 18% on paid up capital is provided for.
- 6) Provision of Rs. 10,00,000 has been made for payment of income tax.
- 7) The Authorised capital of the company is of Rs. 5 crores divided into 50,00,000 equity shares of Rs. 10 each.

OR

- c) Following are the balances drawn from the books of Laxmi Trading company Ltd on 31st March 2020.

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	Balances	
	Dr. Rs.	Cr. Rs.
Opening stock	95,200	--
Purchases	4,70,000	--
Land & Building	1,86,000	--
Machinery	3,31,200	--
Loose tools	18,800	--
Furniture	7,200	--
Preliminary expenses	9,800	--
Sales	--	6,01,600
Share capital	--	4,00,000
6% debentures	--	2,00,000
Cash	1,000	--
5% Government bonds	19,760	--
Bills receivable	7,200	--
Motor car	26,000	--
Goodwill	32,000	--
Debtors	41,600	--
Advertisement	5,080	--
Audit fees	2,000	--
Creditors	--	61,200
Reserve fund	--	30,000
Profit & loss A/c	--	17,600
Bank overdraft (from 01-01-2015)	--	14,000
R.D.D.	--	2,360
Wages & salaries	53,800	--
Insurance	9,800	--
General expenses	8,600	--
Repairs	1,720	--
Interim dividend (30-09-2014)	6,000	--
Sundry receipts	--	6,000
	13,32,760	13,32,760

Prepare final accounts of the company considering the following adjustments.

- 1) Closing stock was of Rs. 108400.
- 2) R.D.D. shall be 5% on debtors.
- 3) Depreciate machinery by 5% and furniture by 7%, loose tools by 10%, Motor car by 20%.
- 4) Debenture interest is to be provided for year.
- 5) Interest @ 9% p.a. is payable on bank overdraft.
- 6) Write off preliminary expenses in full.
- 7) General expenses outstanding are Rs. 2,400.
- 8) Directors have proposed final dividend @ 6%.

3. a) The net profits of X company Ltd after making a provision for taxation for the past 5 years are Rs. 40000, Rs. 42000, Rs. 45000, Rs. 46000 and Rs. 47000. The capital employed in the business is Rs. 400000 on which a reasonable rate of return of 10% is expected. It is expected that the company will be able to maintain its super profit for the next five years.

6

Using the information given above, calculate the value of goodwill at 3 years purchase of average super profit.

b) The following particulars are available in respect of a business carried on by a trader. 6

1) Profit earned for the year:-

2018	:	Rs. 50000
2019	:	Rs. 60000
2020	:	Rs. 55000

ii) Normal rate of profit 10%

iii) Capital employed : Rs. 300000

iv) Present value of an Annuity of 1 rupee for 5 year at 10% is Rs. 3.78.

v) The profit for the year 2019 include a non-recurring income of Rs. 9000.

You are required to calculate goodwill as per Annuity method.

OR

c) The following information relates to the business of a partnership firm- 12

a) Average capital employed in the business Rs. 720000/-

b) Trading profit of the firm for the past three years, prior to taxation were Rs. 1,36,360, Rs. 181220 and Rs. 200420.

c) The unchanged tax rate is 40%

d) 10% may be taken as reasonable rate of return in that type of business.

e) Partners get Rs. 12000/- p.a. for their services.

You are required to compute the value of goodwill of the firm on the following basis:-

1) Five year's purchase of annual average super profit.

2) Capitalisation of annual average super profit at reasonable return of 10% and

3) An annuity of super profits taking the present value of annuity of one rupee for five years at 10% interest at 3.78.

4. a) The following is the balance sheet of Nagpur Ltd as at 31st March 2020. 6

Liabilities	Rs.	Assets	Rs.
Share capital:-		Land & building	55,000
* 5000, 6% preference share of Rs. 10 each	50,000	Plant	65,000
* 10000 equity shares of Rs. 10 each	1,00,000	Trade marks	10,000
General reserve	10,000	Stock	24,000
Profit & Loss A/c	30,000	Debtors	44,000
Workmen's saving A/c	15,000	Cash at bank	76,000
Unsecured Loan	30,000	Preliminary exp.	10,000
Sundry creditors	38,000		
Proposed dividend:-			
Preference share	3000		
Equity share	<u>8000</u>		
	11,000		
	2,84,000		2,84,000

1) It is found that the plant was under depreciated by Rs. 5,000/-

2) Land & Building should have been valued at Rs. 1,20,000/-

3) Rs. 4000 of the debts were bad.

Find out the intrinsic value of equity share and preference share.

4) Preference shares are having priority over equity share for repayment of capital.

- b) Mr. Anil holds 10000 equity share of a company. Authorised and paid up capital of the company consists of :- 6
- a) 200000 Equity share of Rs. 10 each and
b) 100000, 8% preference shares of Rs. 10 each.
- Preference share holders do not have claim in profit after payment of dividend to them at the prescribed rate.
- Normal annual profit of the company is Rs. 528000/- and normal rate of dividend in same type of companies is 8%.
- Compute the value of Mr. Anils holding.

OR

- c) The following particulars are available about Maharashtra Company Ltd. 12
- a) 45000, 9% preference share of Rs. 10 each = Rs. 4,50,000/-
b) 45000 equity shares of Rs. 10 each = Rs. 450000/-
c) External liabilities Rs. 75000/-
d) Reserves & surplus Rs. 35000/-
e) Average normal profit (after taxation) earned every year by the company Rs.85050/-
f) The normal return earned by the fully paid equity shares of the same type of companies is 9%
g) Out of the total assets, assets worth Rs. 3500 are fictitious.
- Calculate the fair value of equity share of the company.

5. Write short note.

- a) Meaning of issue of shares at a discount? 3
b) Classification of liability side cadre in balance sheet. 3
c) Clarification of weighted average profit method. 3
d) Needs of valuation of share? 3

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- सुचना :- 1. सर्व प्रश्न सोडविणे आवश्यक आहे.
2. सर्व प्रश्नांना समान गुण आहे.

- | | | | |
|----|----|--|----|
| 1. | अ) | इंग्रजी माध्यमानुसार. | 6 |
| | ब) | इंग्रजी माध्यमानुसार. | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार. | 12 |
| 2. | अ) | इंग्रजी माध्यमानुसार. | 6 |
| | ब) | इंग्रजी माध्यमानुसार. | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार. | 12 |
| 3. | अ) | इंग्रजी माध्यमानुसार. | 6 |
| | ब) | इंग्रजी माध्यमानुसार. | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार. | 12 |
| 4. | अ) | इंग्रजी माध्यमानुसार. | 6 |
| | ब) | इंग्रजी माध्यमानुसार. | 6 |
| | | किंवा | |
| | क) | इंग्रजी माध्यमानुसार. | 12 |
| 5. | | थोडक्यात टिपा लिहा. | |
| | अ) | कसरीवर (अपहारावर) भाग विक्री म्हणजे काय? | 3 |
| | ब) | स्थितीविवरणाच्या देणे बाजूवरील पदाचे वर्गिकरण करा. | 3 |
| | क) | भारांकित सरासरी नफा पद्धती स्पष्ट करा. | 3 |
| | ड) | भागाच्या मुल्यांकनाची गरज का असते? | 3 |

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- सुचनाएँ :- 1. सभी प्रश्न अनिवार्य हैं।
2. सभी प्रश्नों के अंक समान हैं।

- | | | | |
|----|----|---|----|
| 1. | अ) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार। | 12 |
| 2. | अ) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार। | 12 |
| 3. | अ) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार। | 12 |
| 4. | अ) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | ब) | अंग्रेजी माध्यम के अनुसार। | 6 |
| | | अथवा | |
| | क) | अंग्रेजी माध्यम के अनुसार। | 12 |
| 5. | | टिपण लिखिए। | |
| | अ) | डिस्काउंट पर अंश जारी भरना का अर्थ क्या है। | 3 |
| | ब) | स्थितीविवरण में दायित्व पक्ष का वर्गिकरण किजिए। | 3 |
| | क) | भारीत सरासरी लाभ पद्धती का स्पष्टीकरण किजिए। | 3 |
| | ड) | अंश मुल्यांकन की आवश्यकताएँ लिखिए। | 3 |
