

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

P. Pages : 7

Time : Three Hours



GUG/W/22/10668

Max. Marks : 60

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

1. a) A company had as part of its share capital 1,000 redeemable preference shares of Rs. 100 each fully paid up. When these shares become due for redemption the company had Rs. 60,000 in its Reserve Fund. The company issued necessary Equity shares of Rs. 25 each specifically for the purpose of redemption and received cash in full. The redeemable preference shares were then paid out of the new issue, the balance being met out of the Reserve Fund. **6**
- Pass necessary journal entries to record the above transactions.
- b) Pass the necessary Journal entries in the books of the company in the following cases: - **6**
- i) Issue at par of 4500, 8% debentures, redeemable at 5% Premium, of Rs. 100 each.
- ii) Issue at 5% discount of 2500, 8% debentures, redeemable at 4% Premium, of Rs. 100 each.

OR

- c) The Ashish Trading Co. Ltd. issue 5,000 shares of Rs. 20 each at a Premium of Rs. 4 per share. **12**
- The amount was payable as under:
On Application Rs. 4 P.S.
On Allotment Rs. 10 P.S. (including Premium)
On First call Rs. 6 P.S.
On Final call Rs. 4 P.S.
- Company received applications for 8000 shares and the directors rejected applications for 2,000 shares and refunded the application money received there on, the shares were allotted Pro-rata among the remaining applicants and the excess amount received from them on application was transferred to the allotment account.
- 50 shares were allotted to Ajay, who failed to pay the allotment money and his shares were forfeited on non payment of the first call.
- Ramesh who had applied for 120 shares failed to pay both the calls and hence his shares were also forfeited.
- All shares forfeited were subsequently reissued to Ganesh at the rate of Rs. 18 per share of fully paid.
- Give necessary journal entries in the books of the company.

2. a) From the following balances of Suraj Trading Co. Ltd. Prepare Trading A/c. Profit and Loss A/c for the year ended 31-3-2018. **6**

Sales	4,50,000	Directors Fees	14,000
Purchase	3,00,000	Bad debts	40,000
Opening stock	70,000	Plant & Machinery	2,80,000
Interest on investment	15,000	Stationary	10,000
Audit Fees	12,000	Land and Building	1,00,000
Manufacturing expenses	15,000	Insurance	20,000
Wages	40,000	Freight	12,000
Sales Return	25,000	Debtors	70,000
Purchase Return	12,000	Salaries	25,000

Additional Information.

- 1) Closing Stock Rs. 1,50,000
- 2) Charge depreciation 10% on Land and Building
- 3) Provision for bad debts Reserve 5% on debtors
- 4) Outstanding salaries Rs. 10,000

- b) From the following information, prepare the Balance sheet of Krishi Dhan Co. Ltd. As on 31st March, 2018.

6

Share Capital (8000 sh. of Rs. 100 each fully called up)	8,00,000	Furniture	60,000
General Reserve	3,80,000	Sinking Fund investment	1,63,200
Share Premium	80,000	Calls in arrears	12,000
6% Debentures	8,00,000	Sundry Debtors	5,80,000
Profit & Loss App. A/c	59,400	Closing Stock	2,60,000
Sinking Fund	1,63,200	Cash in hand	22,400
Sundry Creditors	92,000	Cash at Bank	2,52,000
Outstanding Expenses	16,000	Preliminary Expenses	20,000
Land	3,49,000	Advance Income Tax Paid	32,000
Building	6,00,000		
Plant	3,20,000		

Additional Information

- 1) Depreciation written off at the rate mentioned below: Building 5%, plant 20%, Furniture 10%.
- 2) A final dividend of Rs. 20 per share has been proposed by the board of directors
- 3) Preliminary expenses are to be written off completely.

OR

- c) Gold products Ltd. was registered with a nominal capital of Rs. 5,00,000 divided into shares of Rs. 100 each. The following Trial balance is extracted from the books on 31st March, 2018.

12

Particulars	Rs.	Particulars	Rs.
Buildings	2,90,000	Sales	5,20,000
Machinery	1,00,000	Salaries outstanding	2,000
Closing Stock	90,000	Provision for Bad Debts (1-4-2017)	3,000
Purchases (Adjusted)	2,10,000	Share Capital	2,00,000
Salaries	60,000	Profit and Loss A/c	25,000
Directors fees	10,000	General Reserve	40,000
Rent	26,000	Creditors	92,000
Depreciation	20,000	Provision for <u>Depreciation:</u>	
		On Building 50,000	
		On Machinery 55,000	1,05,000

Bad debts	6,000	14% Debentures	2,00,000
Interest accrued on investments	2,000	Interest on Debentures accrued but not due	14,000
Investments (12,000 shares of A Ltd of Rs. 10 each) 8 paid up	1,20,000	Interest on investment	12,000
Debenture Interest	28,000	Unclaimed Dividend	5,000
Loose Tools	20,000		
Advance Tax	60,000		
Sundry expenses	18,000		
Debtors	1,25,000		
Bank Balance	30,000		
Interim Dividend	3,000		
	12,18,000		12,18,000

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March 2018 and Balance sheet as at that date after taking into consideration the following information:

- 1) Closing stock is more than opening stock by Rs. 30,000
- 2) Provide for bad and doubtful debts @ 4% on Debtors
- 3) Make a provision for income - tax @ 50%
- 4) Depreciation expenses includes depreciation of Rs. 8,000 on Buildings and that of Rs. 12,000 on machinery.
- 5) The directors recommend a dividend @ 25%

3. a) From the following information calculate the value of Goodwill four years purchase of super profit. 6

- 1) Average capital employed in the business Rs. 7,50,000.
- 2) Net trading profits of the firm for the past four years were:
Rs. 1,35,600 Rs. 1,07,000 Rs. 1,31,000 Rs. 1,27,000
- 3) Fair remuneration to the Partner's for their services Rs. 15,400 per annum
- 4) Rate of interest expected from capital having regard to the risk involved 12%

b) The following particulars are available in respect of the business carried on by a traders: 6

- 1) Profit earned by the year:
2014 Rs. 50,000, 2015 Rs. 60,000, 2016 Rs. 55,000
- 2) Normal rate of Profit - 10%
- 3) Capital employed - Rs. 3,00,000
- 4) Present value of an annuity of one rupee for five year at 10% Rs. 3.78.

- 5) The profit for the year 2015 included a non-recurring profit on Rs. 9,000

You are required to calculate goodwill as per.

- Five year purchases of super profits
- Capitalisatoin of super profit methods and
- Annuity method

OR

- c) Given below is the Balance sheet of Pramod Co. Ltd. as at 31st March, 2016

12

Liabilities	Rs.	Assets	Rs.
Share Capital 10,000 equity shares of Rs. 10 each	1,00,000	Goodwill	15,000
General Reserve	45,000	Land & Building	40,000
Profit and Loss A/c	30,000	Plant & Machinery	50,000
8% Debentures	50,000	Investment	60,000
Creditors	30,000	Stock	50,000
Provision for Taxation	20,000	Debtors 70,000 - Provision <u>10,000</u>	60,000
Depreciation Fund (Plant & Machinery)	25,000	Cash at Bank	20,000
		Preliminary Exp.	5,000
	3,00,000		3,00,000

Profit for the year includes Rs. 3,000 income from investments, Land and Building are worth Rs. 1,20,000. Plant and machinery worth Rs. 20,000 and stock worth Rs. 30,000

Compute the value of goodwill on the basis of 3 years purchase of super profit. Normal return on capital employed in this type of business is 10% compute goodwill.

4. a) From the following particulars calculate the value of an equity share: **6**
- | | |
|--|--------------|
| 2000, 9% Preference shares of Rs. 100 each | Rs. 2,00,000 |
| 50,000 equity shares of Rs. 10 each, Rs. 8 P.S. Paid | Rs. 4,00,000 |
| Expected annual profit prior to tax | Rs. 2,18,000 |
| Tax Rate | 40% |
| Transfer to General Reserve @ 20% of Profit is a routine affair. | |
| Normal rate of earning | 15% |

- b) The following is the Balance sheet of Nagpur Ltd. As at 31st March, 2018. **6**

Liabilities	Rs.	Assets	Rs.
Share Capital: 5000 6% Preference share of Rs. 10 each	50,000	Land and Building	55,000
10,000 equity shares of Rs. 10 each	1,00,000	Plant and Machinery (Less Depreciation)	65,000
General reserve	10,000	Trade Marks	10,000
Profit and Loss A/c	30,000	Stock	24,000
Workmen's saving A/c	15,000	Debtors	44,000
Unsecured Loan	30,000	Cash at Bank	76,000
Sundry Creditors	38,000	Preliminary Exp.	10,000

Proposed Dividend:			
Preference shares	3,000		
Equity shares	8,000	11,000	
		2,84,000	2,84,000

- 1) It was found that the plant and machinery was under depreciated by Rs. 5,000
- 2) Land and Buildings should have been valued at Rs. 1,20,000
- 3) Rs. 4000 of the debts were bad
- 4) Preference shares having priority over equity shares of repayment of capital.
Find out the intrinsic value of Equity shares and preference shares.

OR

- c) The Balance sheet of Vinayak Ltd. as on 31st March 2015 was as under.

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Balance Sheet

Liabilities	Rs.	Assets	Rs.
2000 Equity shares of Rs. 100 each	2,00,000	Land and Buildings	1,25,000
General Reserve	50,000	Machinery	75,000
Profit and Loss A/c	25,000	Investment at cost (Market value Rs. 37500)	45,000
Creditors	45,000	Debtors	50,000
Provision for tax	20,000	Stock	37,500
Provided fund	17,500	Cash at Bank	25,000
	3,57,500		3,57,500

Additional Information

- 1) Land & Building & Machinery are valued at Rs. 1,37,500 and Rs. 55,000 respectively.
- 2) Of the total debtors, Rs. 2500 are bad
- 3) Goodwill is to be taken at Rs. 25,000
- 4) The Normal Rate of Dividend, declared by such type of companies is 16% on the paid up capital
- 5) The average Rate of Dividend, declared and paid by this company is 18% on its paid up capital
Calculate the fair value of Equity share of the company.

- 5.**
- a) Explain different types of Preference shares. **3**
 - b) Write a notes on corporate dividend Tax. **3**
 - c) State the factors influence on goodwill value. **3**
 - d) Write the necessity of share valuation. **3**

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

- | | | | |
|----|----|---|----|
| 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. | अ) | पुर्वाधिकार भागांचे विविध प्रकार सांगा. | 3 |
| | ब) | कार्पोरेट लाभांश करावर माहिती लिहा. | 3 |
| | क) | ख्यातीच्या मुल्याला प्रभावित करणारे घटक लिहा. | 3 |
| | ड) | भाग मुल्यांकनाची आवश्यकता लिहा. | 3 |

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- सूचनाएँ :- 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. | अ) | पुर्वाधिकार अंशों के विभिन्न प्रकार बतलाइये। | 3 |
| | ब) | कार्पोरेट लाभांश कर पर नोट लिखिए। | 3 |
| | क) | ख्याती मूल्य को प्रभावित करने वाले कारक लिखिए। | 3 |
| | ड) | अंश के मूल्यांकन की आवश्यकता स्पष्ट कीजिए। | 3 |
