

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

P. Pages : 7

Time : Three Hours



GUG/S/24/10668

Max. Marks : 60

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

1. a) Ajanta Ltd. issued 3,000 equity shares of Rs. 100 each. On these shares payments are to be made as follows: **6**
- On Application Rs. 20 per share
On Allotment Rs. 30 per share
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 Journal entries in the books of Ajanta Ltd.

- b) S. Chand Ltd. was formed for the purpose of purchasing a business and was registered with a nominal capital of Rs. 1,00,000 divided in to 1,000 equity shares of Rs. 100 each. 1,000 shares were offered to public for subscription at a premium of Rs. 5 per share where 0 as under: **6**

- On Application Rs. 10 per share
On Allotment Rs. 25 per share (including premium)
On first call Rs. 40 per share
On final call Rs. 30 per share.

Application were received for 900 shares which were dully allotted & the allotment money was received in full. At the time of first call, a shareholder who held 100 shares failed to pay the first call money & final call money.

OR

- c) 'HIRA' Company Ltd. issued 10,000 equity shares of Rs. 10 each at a premium of Rs. 10 each payable as: **12**
- On Application Rs. 10 per share
(Rs.5 on capital & Rs.5 on premium)
On Allotment Rs. 10 per share
(Rs.5 on capital & Rs.5 on premium)

The issue was closed on 31st December, 2008. It was found that the issue was over subscribed by ten times. The Board of directors finalized the basis of allotment in consultation with the Bombay stock Exchange. The application money on excess share was refunded to the application. The allotment money was received in full with the exception of a shareholder 200 shares. These shares were forfeited and latter on re- issued at Rs. 12 per share as fully paid up.

2. a) From the following balances of Bharat Trading Co. Ltd. Prepare Trading A/c, profit & loss A/c for the yr. ended 31.3.10

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| Particulars | Rs. |
|------------------------|----------|
| Sales | 4,50,000 |
| Purchases | 3,00,000 |
| Opening Stock | 70,000 |
| Interest on Investment | 15,000 |
| Audit Fees | 12,000 |
| Manufacturing expenses | 15,000 |
| Wages | 40,000 |
| Sales Return | 25,000 |
| Purchase Return | 12,000 |
| Director fees | 14,000 |
| Bad Debts | 40,000 |
| Plant & Machinery | 2,80,000 |
| Stationary | 10,000 |
| Land & Building | 1,00,000 |
| Insurance | 20,000 |
| Freight | 12,000 |
| Debtors | 70,000 |
| Salaries | 25,000 |

Additional information:-

- Closing stock Rs. 1,50,000.
- Charge depreciation 10% on Land & building.
- Provision for bad debts reserve 5% on Debtors.
- Outstanding salaries Rs. 10,000.

- b) From the following balances furnished by tharves Co. ltd. Prepare balance sheet as on 31st March, 2009.

6

| Particular | Rs. |
|--|-----------|
| Equity share capital (face value Rs. 100 each) | 15,00,000 |
| Land and building | 8,25,000 |
| Plant and Machinery | 6,00,000 |
| Goodwill | 1,87,500 |
| Furniture | 75,000 |
| Call in Arrears | 1,500 |
| General Reserve | 3,15,000 |
| Loan from State Finance Corporation | 2,25,000 |
| Stock | 3,75,000 |
| Provision for taxation | 1,02,000 |
| Sundry debtors | 3,00,000 |
| Advances (Dr.) | 64,050 |
| Proposed dividend | 90,000 |
| Profit & Loss A/c (Cr.) | 1,50,000 |
| Cash Balance | 45,000 |
| Cash at Bank | 3,70,500 |
| Preliminary Expenses | 19,950 |
| Loan (unsecured) | 1,81,500 |
| Sundry Creditors | 3,00,000 |

OR

- c) Amrapali Co. Ltd. Had an authorized capital of Rs. 4,60,000 in shares of Rs. 50 each. The company issued 5,520 shares. 12

Trial Balances as on 31st March 2009.

| Particulars | Debit Rs. | Credit Rs. |
|----------------------------------|------------------|------------------|
| Share Capital | | 2,76,000 |
| Land & Building | 2,30,000 | |
| Reserve fund | | 73,600 |
| Bad debts | 12,650 | |
| Purchase and sales | 4,41,600 | 8,18,800 |
| Salaries | 57,040 | |
| Wages | 42,320 | |
| Preliminary expenses | 36,800 | |
| Interest | | 11,040 |
| Profit & loss App. A/c | | 1,48,350 |
| Carriages | 19,320 | |
| Stock (on 1 April 2008) | 1,38,000 | |
| Return | 29,440 | 37,720 |
| Audit fees | 19,320 | |
| Freight charges | 18,860 | |
| Interim dividend | 16,560 | |
| Bills Receivable & Bills payable | 58,420 | 50,140 |
| Call in Arrears | 18,400 | |
| Cash in hand | 2,760 | |
| Cash at bank | 21,160 | |
| Goodwill | 57,040 | |
| Debtors and Creditors | 64,860 | 79,580 |
| Investment | 78,200 | |
| Furniture | 64,400 | |
| 6% Debentures | | 1,84,000 |
| Bank Overdraft | | 23,920 |
| Plant and Machinery | 2,76,000 | |
| | 17,03,150 | 17,03,150 |

Adjustments:-

- i) Closing stock Rs. 99,360.
 - ii) Depreciate: Furniture by 5%, Plant & machinery by 10%
 - iii) Provide 5% reserve on Debtors.
 - iv) Write off 1/5 of preliminary expenses.
 - v) Transfer Rs. 55,200 for reserve fund.
 - vi) Provide Debenture interest for one year.
- Prepare trading & P/L A/c for the year ended 31st March 2009 and Balance sheet as on that date.

3. a) The following information is given to you:- 6
- i) Average capital employed Rs. 12,00,000.
 - ii) Company declares 15% dividend on the shares of Rs. 20 each fully paid.
 - iii) Net trading profit of the company (after tax) for the past 3 years: Rs. 1,81,400, Rs. 2,15,200. Rs. 2,25,000

You are required to compute the value of goodwill on the basis of 5 years purchase of super profit of the business.

- b) From the following information calculate the value of goodwill by the super profit method:
- The average capital employed in the business Rs. 60,00,000.
 - The Net trading profit of the firm for the past three years were:-

| Year | Rs. |
|-----------------|-----------|
| 1 st | 10,76,000 |
| 2 nd | 9,07,000 |
| 3 rd | 11,25,000 |

- The rate of interest expected form the capital having regard to the risk involved 12%.
- The fair remuneration to the partners for their services Rs. 1,20,000 not charged to the profit & loss account.
- Take 5 years purchase of super profit as a value of the goodwill.

OR

- c) The following is the balance sheet of Mr. Rahul as on 31st March 2008.

| Liabilities | Rs. | Assets | Rs. |
|-----------------|-----------------|-----------------|-----------------|
| Capital | 2,56,000 | Land & Building | 59,000 |
| General Reserve | 70,000 | Plant | 86,000 |
| Creditors | 67,090 | Investments | 50,000 |
| | | Stock | 45,000 |
| | | Bank | 33,800 |
| | | Debtors | 1,19,290 |
| | 3,93,090 | | 3,93,090 |

The following were the net profit for the year ended:

| | |
|----------------|------------|
| March 31, 2006 | Rs. 68,840 |
| March 31, 2007 | Rs. 77,600 |
| March 31, 2008 | Rs. 81,050 |

The above amounts include income from investments Rs. 3,000 each year.

You are required to value the goodwill of the above business at 3 years taking into account the fact the standard rate of return on capital employed in such type of a business is 10% and assuming that each years profit is immediately withdrawn in full by Mr. Rahul.

4. a) The following is the Balance sheet of Nagpur Ltd. As at 31st March 2004.

| Liabilities | Rs. | Assets | Rs. |
|---|-----------------|--|-----------------|
| Share capital: | | Land & Building | 55,000 |
| 5,000 6% Preference shares of Rs. 10 each | 50,000 | Plant & Machinery (less Depreciation) | 65,000 |
| 10,000 equity shares of Rs. 10 each | 1,00,000 | Trademarks | 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 expenses | 10,000 |
| Sundry Creditors | 38,000 | | |
| Proposed Dividend: | | | |
| Preference share 3,000 | | | |
| Equity share 8,000 | | | |
| ----- | 11,000 | | |
| | 2,84,000 | | 2,84,000 |

- i) It was found that the plant & machinery was under depreciated by Rs. 5,000.
 - ii) Land & building should have been valued at Rs. 1,20,000.
 - iii) Rs. 4,000 of the debts were bad.
 - iv) Preference shares having priority over equity shares of repayment of capital.
- Find out the intrinsic value of pref. & equity shares.

b) The following is the Balance sheet of Wardha Co. ltd. As on 31st March, 2007.

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| Liabilities | Rs. | Assets | Rs. |
|--|-----------------|-------------------|-----------------|
| Share Capital 20,000 equity shares of Rs. 10 each | 2,00,000 | Land & Building | 1,10,000 |
| General reserve | 40,000 | Plant & Machinery | 1,30,000 |
| P & L A/c | 32,000 | Trademark | 20,000 |
| Unsecured Creditors | 60,000 | Stock | 48,000 |
| Sundry Creditors | 98,000 | Debtors | 88,000 |
| Workmen's saving A/c | 30,000 | Cash at bank | 52,000 |
| | | Preliminary exp. | 12,000 |
| | 4,60,000 | | 4,60,000 |

The plant & machinery is worth Rs. 1,20,000 & Land & building have been valued at Rs. 2,40,000 by an independently valued Rs. 8000 of the debts are bad. Goodwill may be taken to be worth Rs. 1,60,000.

Find out the intrinsic value of shares.

OR

c) The following is the balance sheet of Rupa company Ltd. As on 31st Dec. 2007

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| Liabilities | Rs. | Assets | Rs. |
|--|------------------|-------------------|------------------|
| Share Capital: 6000 equity shares of Rs. 100 each | 6,00,000 | Cash at Bank | 50,000 |
| 5,000 5% Debentures | 5,00,000 | Stock | 1,20,000 |
| General Reserve | 70,000 | Sundry Debtors | 80,000 |
| Profit & loss A/c | 20,000 | Investment | 1,00,000 |
| Sundry Creditors | 20,000 | Land & Buildings | 4,10,000 |
| Liabilities to expenses | 20,000 | Furniture | 60,000 |
| | | Plant & Machinery | 3,40,000 |
| | | Goodwill | 70,000 |
| | 12,30,000 | | 12,30,000 |

All the assets are independently valued at Rs. 14,00,000. The company earned net profit for the last five years as follows:-

Rs. 80,000, Rs. 84,000, Rs. 92,000, Rs. 88,000 and Rs. 96,000. It is the practice of the company to transfer 15% profit to general reserve. The fair of Investment in the similar company may be considered at 10%. Find out fair value of shares.

5. Write short note.

- a) Need of D-mat account. 3
- b) Corporate Dividend Tax. 3
- c) Future maintainable profit. 3
- d) Need for the valuation of shares. 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. | टिपण लिहा. | | |
| | अ) डी-मॅट खात्याची आवश्यकता. | | 3 |
| | ब) कार्पोरेट लाभांश कर. | | 3 |
| | क) भविष्यातील अनुमानित नफा. | | 3 |
| | ड) भागांच्या मुल्यांकनाची आवश्यकता. | | 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) | डी-मॅट खाते की आवश्यकता। | 3 |
| | ब) | कार्पोरेट लाभांश कर। | 3 |
| | क) | भविष्य का अनुमानित लाभ। | 3 |
| | ड) | भाग मुल्यांकन की आवश्यकता। | 3 |
