

SP - 32

Total No. of Pages : 3

Seat
No.**B.Com. (Part - II) (Semester - III) (Revised) Examination,
April - 2019****CORPORATE ACCOUNTING (Paper - I)**

Sub. Code : 63107

Total Marks : 50

Day and Date : Saturday, 27 - 04 - 2019

Time : 12.00 noon to 02.00 p.m.

Instructions : 1) All questions are compulsory.

2) Figures to the right indicate full marks.

3) Use of calculator is allowed.

Q1) Parag Company Ltd. was registered with Nominal capital of Rs. 10,00,000 divided into 10,000 equity shares of Rs. 100 each. The Trial Balance of the company as on 31st March 2018 was as under -

Particulars	Rs.	Particulars	Rs.
Land and Building	500,000	Equity Share Capital	7,50,000
Plant & Machinery	8,00,000	(Rs. 75 paid)	
Investment	100,000	Share premium	1,00,000
Stock as on 31-3-2018	70,000	Depreciation Provisions	
Bank Balance	23,800	Land & Building	1,00,000
Income tax deducted	1,200	Plant & Machinery	1,20,000
at source		General Reserve	1,40,000
Establishment	52,000	6% Debentures	50,000
Expenses		Profit & Loss A/c	25,000
Rent & Taxes	2,400	(1-4-2017)	
Debenture Interest	1,500	Sundry Creditors	60,000
Audit fees	9,000	Dividend (Gross)	11,200
Sundry Expenses	8,700	Gross profit	2,12,400
Total	15,68,600	Total	15,68,600



P.T.O.

Additional Information :

- a) Depreciate land & building by 5% and plant & machinery by 15%
 - b) Provision for taxation is to be made at 50% of profit.
 - c) Directors propose to transfer Rs. 10,000 to General Reserve.
 - d) Market value of investment as on the date of Balance Sheet Rs. 85,000
- Prepare in vertical form
- i) Profit and Loss A/c for the year ending 31-3-2018 [10]
 - ii) Balance Sheet as on 31-3-2018 [10]

Q2) Answer any TWO of the following questions :

- a) Sunshine Ltd. invited applications for 20,000 equity shares of Rs. 100 each at a discount of Rs. 4 per share. The amount was to be paid as follows :
 - On application Rs. 20/-
 - On allotment Rs. 36/-
 - On first and final call Rs. 40/-

The public applied for 18,000 shares and these were allotted. All money due were collected with the exception of the first and final call on 2,000 shares and these were forfeited. 1,000 of these shares were reissued as fully paid for a payment of Rs. 80 per share.

Give Journal entries of above transactions in the books of sunshine Ltd. [10]
- b) The Sunil Industries Ltd., has issued on 1-1-2011 8% debentures for Rs. 5,00,000. The debentures were issued at a discount of 2% and they were redeemable at a premium of 5% after 5 years at the option of the company.

It was decided to create a sinking fund by transfer of Rs. 1,00,000 every years from appropriation account. An equal amount was to be invested in 8.5% Government securities at the end of every year. The interest was payable on 31st December, every year.

Prepare Sinking Fund Account and Sinking Fund Investment Account for three years only assuming that accounts are closed on 31st December, every year. [10]

- c) Modern Company Ltd. was incorporated on 1st May, 2018 to take over the business of Prakash Company Ltd. as a going concern from 1st January, 2018.
- Profit & Loss A/c for the year ending 31st Dec., 2018

Particulars	Rs.	Particulars	Rs.
To Rent & Taxes	12,000	By Gross profit b/d	1,55,000
To Insurance	3,000		
To Electricity charges	2,400		
To Salaries	36,000		
To Director Fees	3,000		
To Auditors Fees	1,600		
To Commission	6,000		
To Advertisement	4,000		
To Discount	3,500		
To Office Expenses	7,500		
To Carriage	3,000		
To Bank Charges	1,500		
To Preliminary Expenses	6,500		
To Bad Debts	2,000		
To Interest on Loan	3,000		
To Net Profit	60,000		
Total	1,55,000	Total	1,55,000

The total turnover for the year ending 31st December, 2018 was Rs. 5,00,000 divided into Rs. 1,50,000 for the period upto 1st May, 2018 & Rs. 3,50,000 for the remaining period.

Ascertain the profits earned prior to incorporation and after incorporation of the company. [10]

- Q3) Write short notes (any two) [10]
- a) Forfeiture of shares.
 - b) Redemption of Debenture.
 - c) Pro-rata Allotment.
 - d) Treatment for "Loss to Incorporation."