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**B.Com.(Part-II) (Semester- IV) (CBCS) Examination,
January - 2023
CC-B2 : CORPORATE ACCOUNTING (Paper -II)
Sub. Code : 73521**

Day and Date : Friday, 20 - 01 - 2023

Total Marks : 40

Time : 10.30 a.m. to 12.30 p.m.

- Instructions :
- 1) All questions are compulsory.
 - 2) Figures to the right indicate full marks.
 - 3) Use of calculator is allowed.

Q1) Short answer questions. [5]

- a) Explain the basis of apportionment of expenses.

OR

What is pre and post incorporation profit or loss?

- b) Varsha Ltd. was registered on 1st Jan. 2018 to take over business of a Megha Ltd as from 1st Oct. 2017. Following is the Profit and Loss A/C of the company for year ending 30th Sept. 2018.

Profit and Loss A/C

Particular	Rs	Particular	Rs
To Salary	16000	ByGross Profit	200000
To Repairs	12000		
To Stationary	16000		
To Depreciation	20000		
To Rent and rates	8000		
To General Expenses	8000		
ToBad debts	22000		
To Preliminary Expenses	4000		
To Audit fees	8000		
To interest to vendor (Up 1st March 2018)	20000		
To Debenture interest	6000		
To Discount	5000		
To Commission on sales	15000		
To Net profit	40000		
	200000		200000

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- i) The sales of the prior period were 2/5 of the total sales for the year
- ii) Out of Bad Debts written off Rs.6000 related to the debts taken over from firm.

Ascertain profit prior to and after incorporation of the Varsha Ltd. [5]

OR

Namrata Ltd., was incorporated on 1st August 2018 to take over the business of a company as a going concern cocern from 1st April 2018. The accounts were closed on 31st March 2019.

Profit & Loss Account

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Cr.

Particular	Rs	Particular	Rs
To Rent and taxes	24000	By Gross profit b/d	310000
To Debenture interest	4800		
To Salaries	66000		
To Electricity	12000		
To Directors Fees	14000		
To Auditors Fees	5000		
To Commission	12000		
To Advertisement	16000		
To Discount	7000		
To Office Expenses	15000		
To carriage	3000		
To preliminary Expenses	8500		
To Bad Debts	9000		
To Net profit	113700		
Total	310000		310000



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Additional Information:

The sales for period upto 1st August 2018 were 3/10 of the sales for the year. The salary was evenly paid throughout the year.

Out of total Bad Debts Rs.3000 were related to debts taken from vendor.

Find out the profit earned prior to incorporation and after incorporation of the company. [5]

Q2) Short answer questions

a) Explain the methods of valuation of shares. [5]

OR

State the need of valuation of shares.

b) The following is Balance sheet of Sujata company Ltd as on 31st March 2019. [5]

Balance Sheet

Liabilities	Rs	Assets	Rs
Share Capital: 15000 Equity Shares of Rs.100each	15,00,000	Land & Building	15,00,000
4000 8% Preference shares of Rs.100 each	4,00,000	Plant & Machinery	17,00,000
General Reserve	7,00,000	Vehicles	4,50,000
Profit & loss A/c	5,00,000	Debtors	5,80,000
10% debentures	9,00,000	Stock	4,70,000
S.Creditors	7,00,000		
	48,00,000,		48,00,000

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The land & Building and Plant & machinery are to be depreciated by 10% and vehicle by 20% The stock is revalued at Rs.4,50,000 and debtors subject to a provision for bad debts of Rs. 80,000.

Mr. Vedant holds 1000 equity shares asks you to calculate Intrinsic value of his shares. Please do needful. [5]

OR

Following is the information of Renuka Industries Ltd

- i) 10000 Equity share capital of Rs.100each Rs.10,00,000
- ii) 8% preference share capital of Rs.10 each Rs.1,00,000
- iii) The profits for the last five years were as :2014-15 Rs.4,30, 000, 2015-16 Rs.4,70,000, 2016-17 Rs.5,40,000., 2017-18 Rs.6,00,000 and 2018-19 Rs.6,45,000.
- iv) The taxation provision is to be made at 50%
- v) Profit earning capacity of similar company show 10%.
- vi) Transfer to reserve Rs.25000 every year.

Find out Market Value of the equity shares. [5]

Q3) Short answer questions.

- a) Explain liquidators Remunexation. [5]

OR

Describe preferential creditors.

- b) Pratap company Ltd went into voluntary liquidation on 31st December 2018. The balance sheet as on that date was as follows:

Liabilities	Rs	Assets	Rs.
		Land	5,00,000
8000 Equity Shares of Rs.100 each	8,00,000	Plant and Machinery	4,50,000
8% Debentures	4,00,000	Building	200,000
Preferential Creditors	80000		
Sundry Creditors	3,00,000	Sundry Debtors	2,50,000
Bank Overdraft	1,20,000	Cash balance	60,000
		Profit & Loss A/c	2,40,000
	17,00,000		17,00,000

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The liquidators remuneration was 5% on the amount realized by him excluding cash and 2% on the amount paid to unsecured creditors including preferential creditors. Legal expenses Rs.5000 and the amount of liquidation expenses was Rs. 18,000.

The liquidator realize the assets as follows,

- i). Land Rs.4,50,000
- ii). Building Rs.3,50,000
- iii). Plant and Machinery Rs.2,55,000
- iv). Debtors Rs.2,20,000

Show the Liquidators Final Statement of Account.

[10]

OR

Sachin Ltd went into voluntary Liquidation on 31st March 2016 when their Balance sheet was as under.

Liabilities	Rs	Assets	Rs
25000 Equity shares of Rs. 10 each fully paid	250000	Goodwill	20900
		Land & Building	250000
		Plant & Machinery	160000
		Stock	45000
		Sundry debtors	65000
<u>Sundry Creditors</u>	255000	Profit & Loss A/c	165000
Secured Creditors (Against Land & Building)			
Unsecured	90000		
6% Debentures	110900		
	705900		705900

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- a) The liquidator realized the assets as follows:
- | | |
|---|-----------|
| i) Land & Building (which was used to pay secured creditors) | Rs.260000 |
| ii) Plant & Machinery | Rs.140000 |
| iii) Stock | Rs.25000 |
| iv) Sundry Debtors | Rs.52000 |
| v) Good will fetch nothing | |
| (b) The expenses of liquidation of | Rs.3100 |
| c) The liquidator 's remuneration was agreed at 5% on the assets realized and 2% on the amount paid to unsecured creditors. | |
- You are required to prepare Liquidators Final Statement of account.[10]

Q4) Short Answer questions.

State stock valuation methods.

[5]

OR

Explain objectives of inventory control system.

[5]

