



Seat
No.

Set A

**B.com (Part II) (Semester- IV) (CBCS) Examination,
Oct. / Nov. -2023**

College Name : Kamala College, Kolhapur.
Sub. Name : CORPORATE ACCOUNTING (Paper -II)
Sub. Code : 73521 **Total Marks: 40**
Day and Date : Wednesday, 29/11/2023 **Period:- 2 hours**
Time : 02.30 pm. to 04.30 pm. **Pages : 04**
Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.
3) Use of calculator is allowed.

Q.1) Short answer questions.

a) List at least 10 expenses which are divided in time ratio. 5

OR

Explain the basis of apportionment of expenses. 5

b) Ashok Co. Ltd was incorporated on 1st Aug.2020 to take over the business of Akshay Co. Ltd as a going concern from 1st April, 2020. The Profit & Loss A/c for the year ending 31st Mar.2021.

Dr. Profit & Loss A/c for the year ending 31st Mar.2021 Cr.

Particulars	Rs.	Particulars	Rs.
To Rent & Taxes	6,000	By Gross Profit	77,500
To Insurance	1,500		
To Electricity Charges	1,200		
To Salaries	18,000		
To Directors Fees	1,500		
To Auditors Fees	800		
To Commission	3,000		
To Advertisement	3,000		
To Discount	1,750		
To Office Expenses	3,750		
To Carriage	1,500		
To Bank Charges	750		
To Preliminary Expenses	3,250		

To Bad Debts	1,000		
To Interest on Loan	1,500		
To Net Profit	30,000		
	77,500		77,500

The total turnover for the ending 31st Mar.2021 was Rs.2,50,000 divided into Rs.1,50,000 for the period upto 1st Aug.2020 & Rs.1,75,000 for the remaining period.

Ascertain the profits earned prior to incorporation of the company.

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Or

Vikas Ltd was registered on 1st Jan.2021 to take over business of a Maya Ltd as From 1st Oct. 2020. Following is the Profit and Loss A/c of the company for the year ending 30th Sep. 2021.

Profit and Loss A/c

Particulars	₹	Particulars	₹
To Salary	16,000	By Gross Profit	2,00,000
To Repairs	12,000		
To Stationary	16,000		
To Depreciation	20,000		
To Rent And Taxes	8,000		
To General Expenses	8,000		
To Bad Debts	22,000		
To Preliminary Expenses	4,000		
To Audit Fees	8,000		
To Interest to Vendor (Upto 1 st March,2021)	20,000		
To Debenture Interest	6,000		
To Discount	5,000		
To Commission on Sale	15,000		
To Net Profit	40,000		
	2,00,000		2,00,000

- The sales of the prior period were 2/5 of the total sales for the year.
- Out of Bad Debts written off ₹ 6,000 related to the debts taken over from firm.

Ascertain profit prior to and after incorporation of the Vikas Ltd.

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Q 2) Short answer questions

- What is the need of valuation of shares

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OR

What is intrinsic value of shares? How is it determined?

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- From the following information of Krishna Manufacturing Ltd.

- Equity share capital- 20,000 shares of ₹100 each, ₹80 paid up

- 9% preference share capital – 25,000 shares of ₹100 each fully paid
- Net profit before tax ₹ 10,00,000.
- Rate of Tax- 40%
- It is the company's policy to transfer 10% of profit to reserve
- Rate of dividend of other companies working in the same industry 14%.

Find out Market value of equity shares.

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OR

Following is the balance sheet of Rushikesh Co. Ltd. as on 31st March 2023.

Balance sheet as on 31st March 2023

Liabilities	₹	Assets	₹
5,000 equity shares of ₹ 100 each	5,00,000	Land & Building	3,00,000
Profit and Loss A/c	4,50,000	Plant & Machinery	6,00,000
Capital Reserve	1,50,000	Investments in shares	2,50,000
General Reserve	1,80,000	Stock	1,50,000
8% Debenture	2,20,000	Sundry Debtors	2,40,000
Sundry Creditors	2,50,000	Cash at Bank	2,10,000
	<u>17,50,000</u>		<u>17,50,000</u>

Additional Information:

- Land & Building and Plant & Machinery were revalued at 150% and 120% respectively.
 - The value of shares purchased by the company is fallen down by 20% in the market.
 - Stock is valued at ₹ 2, 00,000 and debtors subject to a deduction @ 5% for bad debts.
 - Manager's Remuneration ₹ 8,000 is payable.
- Find the intrinsic value of each share.

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Q 3) Short answer questions

a) Liquidators Final Statement of Account

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OR

Preference Creditors

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b) Ganesh Company Ltd. went into voluntary liquidation on 31st March 2023 on which date its position was as follows.

Balance Sheet as on 31st March 2023

Liabilities	₹	Assets	₹
Share Capital		Cash at Bank	6,800

8,000 Equity Shares of ₹ 100 each	8,00,000	Plant & Machinery	2,40,000
Secured Creditors	2,00,000	Furniture	20,000
Creditors (including ₹ 2,000 Preference Creditors)	6,04,000	Stock	3,60,000
		Debtors	7,20,000
		Profit & Loss A/c	2,57,200
	<u>16,04,000</u>		<u>16,04,000</u>

The secured creditors holding charge over Machinery realised by creditors for ₹ 2, 20,000. Other assets were realized by Liquidator as follows.

Furniture	₹ 10,000	Stock	₹ 3,70,000
Sundry Debtors	₹ 7,00,000		

The expenses of liquidation amounted to Rs.5,000 and the Liquidators remuneration is 2% on assets realized by him.

Prepare Liquidators Final Statements of Accounts.

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OR

G P company Ltd. went into voluntary liquidation on 31st March 2023 when its Balance Sheet was as under.

Balance Sheet as on 31st March 2023

Liabilities	₹	Assets	₹
Share Capital		Freehold Property	49,000
9,750 Equity Shares of ₹ 10 each	97,500	Plant & Machinery	32,500
Loan secured by freehold property	27,500	Stock	27,700
Preference Creditors	12,150	Debtors	32,000
Unsecured Creditors	56,000	Cash	1,950
		Profit & Loss A/c	50,000
	<u>1,93,150</u>		<u>1,93,150</u>

The Liquidators realised assets as follows.

Freehold Property	₹ 17,500	Plant & Machinery	₹ 26,000
Stock	₹ 19,500	Sundry Debtors	₹ 30,000

The expenses of liquidation amounted to Rs.500.

Liquidators remuneration was agreed at 2.5% on assets realised by him and 2% on the amount paid to unsecured creditors excluding preferential creditors.

Prepare Liquidators Final Statements of Accounts.

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Q4) Short Answer Questions

a) State stock valuation methods

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OR

b) Functions and Duties of Storekeeper

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