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No.

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Kamala College, Kolhapur
(Autonomous)
B.Com (Part-II) (Semester-IV)
Examination April /May, 2024
Corporate Accounting (Paper- II)
Subject Code: DSC- 11



Day and Date: Monday, 15/04/2024

Total Marks: 40

Time: 08.00 to 10.00am

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate total marks for the question.

- Q. 1. Shiraj motor Co. Ltd issued on 1st April 2016 8% Debenture of ₹ 50,00,000 at 2% discount and repayable at 3% Premium after 5 years. It was decided to create a sinking fund by transfer of ₹ 10,00,000 every year from profit and loss appropriation A/c. an equal amount is to be invested in 9% Government securities at the end of every year. Interest on Government securities is to be invested in the same securities. The interest on debenture is payable at the end of each year. It was decided to write off discount and loss on issue of debenture in the equal proportion during these five years.
- a. Pass journal entries of issue of debenture and only first year only. [8]
 - b. Prepare Discount on issue of 8% Debenture A/c and Loss on issue of 8% debenture A/c [8]
- Q. 2. Attempt any two. [16]
- a. The balance sheet of Arihant Company limited was as under when it was liquidated voluntarily.

Balance Sheet as on 31st March 2023

Liabilities	₹	Asset	₹
Authorised capital 20,000 eq. Shares of ₹ 10 each	2,00,000	Goodwill	50,000
Subscribed capital 19500 eq. Shares of ₹ 10 each	1,95,000	Leasehold property	1,15,000
Creditors		Plant and machinery	1,45,000
Preferential	50,000	Stock	55,000
Secured on plant and machinery	45,000	Sundry debtors	73,000
Unsecured	97,500	Bank balance	15,000
Bank overdraft	75,000	Profit and loss account	9,500
	4,62,500		4,62,500

The assets were realised as under:

Leasehold property	₹ 65,000	Stock	₹ 75,000
Plant and machinery	₹ 75,000	Sundry debtors	₹ 66,000

The liquidator was entitled to a commission @ 2.5% on assets realised including cash at bank and 2% on payment made to unsecured creditors. The liquidation expenses were ₹ 3,400

Prepared liquidators final statement of account.

[8]

- b. Rajesh industries limited was incorporated on 1st August 2023. It had acquired a running business of Sheetal & company with effect from 1st April 2023. During the year 2023-24 the total sales were ₹ 36,00,000. The sales per month in the first half year half of what they were in the later half year.

The net profit of the company ₹ 2,00,000 was worked out after charging the following expenses:

- | | |
|------------------------------------|---|
| i) Depreciation ₹ 1,23,000 | ii) Directors fees ₹ 50,000 |
| iii) Preliminary expenses ₹ 12,000 | iv) Office expenses ₹ 78,000 |
| v) Selling expenses ₹ 72,000 | vi) Interest to vendors up to 31st August 2023 ₹ 5,000. |

You are required to calculate sales ratio time ratio ratio for interest to vendors gross Profit

- c. Sudarshan company took over a running business with effect from 1st April 2023. The company was incorporated on 1st August 2023. The following summarised profit and loss account has been prepared for the year ended 31st March 2024

Particular	₹	Particular	₹
To rent of office building	26,400	By gross profit	3,20,000
To expenses of fixed nature	1,21,200		
To tax audit fees	6,000		
To expenses of variable nature	60,400		
To interest paid to vendor	4,200		
To director's fees	11,200		
To debenture interest	3,000		
To net profit	87,600		
	3,20,000		3,20,000

Additional information

- Total sales for the year, which amounted to ₹ 190000 out of which ₹ 4,80,000 are related to the prior incorporation period.
- Rent of office building was paid @ ₹ 2000 per month up to the end of September 2023 and thereafter it was increased by ₹ 400 per month.
- Purchase consideration was discharged by the company on 30th September, 2023 by issuing equity shares of rupees 100 each

Prepare profit and loss account in columnar form showing profit or loss of pre and post incorporation periods.

- Q.3 Short notes. (Any 2 out of 4)

- Types of Debenture
- Liquidators Remuneration
- Store Keeper
- Inventory Control System

[8]

