

Seat No.	
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**B.Com. (Part - II) (Semester - III) (Revised) Examination,
November - 2016**

CORPORATE ACCOUNTING (Paper - I)

Sub. Code : 63107

Day and Date : Thursday, 17 - 11 - 2016

Total Marks : 50

Time : 03.00 p.m. to 05.00 p.m.

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

Following is the Trial Balance of Pran Co. Ltd. as on 31st March, 2015. The Authorised capital of the company is Rs. 20,00,000 divided into 20,000 equity shares of Rs. 100 each.

Trial Balance
as on 31st March, 2015

Particulars	Rs.	Particulars	Rs.
Plant & Machinery	3,60,000	Sales	8,50,000
Insurance	6,000	Sundry Creditors	4,00,000
Audit Fees	8,000	Reserve for Bad Debts	10,000
Purchases	4,00,000	Profit & Loss Appro. A/c	1,66,000
Manufacturing wages	1,40,000	Bills Payable	24,000
Salaries	48,000	10% Debentures	5,00,000
Stock on 1-4-2014	1,00,000	Equity share capital	10,00,000
Rent & Taxes	42,000	General Reserve	50,000
Carriage Inward	18,000		
Advertisement	34,000		
Cash in hand	4,000		
Cash at Bank	20,000		
Fixture & Fittings	24,000		
Sundry Debtors	4,00,000		
Goodwill	5,00,000		
Bills Receivable	1,41,000		
Freehold property	7,25,000		
Calls in Arrears	5,000		
Debenture Interest (up to 30-9-2014)	25,000		
	30,00,000		30,00,000

Other Informations :

- a) Depreciate plant & Machinery at 10% and fixture and fittings at 7.5% P.a.
- b) Create Reserve for Bad Debts at 5%.
- c) Stock on 31st March, 2015 Rs. 2,50,000.
- d) The Board of Directors has decided to make the following appropriations.
 - i) To provide for taxation Rs. 20,000
 - ii) To provide equity dividend of Rs. 13 per share
 - iii) To transfer to general reserve Rs. 40,000

Prepare :

- a) Profit & Loss Account for the year ended on 31-3-2015 in vertical form showing clearly G.P., Operating Profit, N.P. before & after tax. [10]
- b) Balance sheet as on 31-3-2015 in vertical form and schedules of share capital and Fixed Assets. [10]

Q2) Attempt any two out of a, b and c.

- a) Tata Motors Ltd. invited applications for 1,00,000 shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows [10]

on Application	Rs. 3
on Allotment	Rs. 4.50 (including premium)
on first and final call	Rs. 4.50

Applications were received for 1,50,000 shares out of which applications for 10,000 shares were rejected and Money refunded to them. The allotment was made pro-rate to the remaining applications. Money overpaid on application was used against allotment money due.

Mr. Rao the holder of 2000 shares failed to pay the first and final call and his shares were forfeited out of the forfeited shares 1000 shares were re-issued at the rate of Rs. 8 per share as fully paid.

Pass necessary journal entries.

- b) Lupin Ltd. issued on 1st April, 2011 Rs. 10,00,000 8% Debentures at 3% discount and repayable at the end of 10th year at a premium of 5%. The sinking fund was created by transferring Rs. 1,00,000 from profit and it was invested in 10% Govt. securities. Accounts are closed on 31st March.

Show : [10]

- i) Journal entry for issue of debentures.
- ii) Sinking fund Account and Sinking fund Investment Account for first four years only.
- c) Anil Ltd. was formed on 1st July, 2014 to take over Business of partnership as from 1st April, 2014. The following is Profit and Loss Account of the company for the year ending 31st March, 2015.

Profit and Loss A/c

Particulars	Rs.	Particulars	Rs.
To Printing & stationery	30,000	By Gross profit	9,00,000
To Bad Debts	90,000		
To Depreciation	1,80,000		
To Salary	90,000		
To Preliminary Expenses	45,000		
To Interest to Vendor (up to 31-8-2014)	37,500		
To Provision for Bad Debts	1,20,000		
To Advertising	75,000		
To Net profit	2,32,500		
	9,00,000		9,00,000

Out of Bad Debts Rs. 22,500 related to the Debtors taken over from partnership. The sales for the period upto 1-7-2014 were 2/3 of the sales for the remaining period. The salary was evenly paid through out the year.

Compute the Profit or Loss made by the company prior to and after incorporation. [10]

Q3) Write short notes on (any two) : [10]

- a) Issue of Debentures
- b) Issue of shares at discount
- c) Contingent Liability
- d) Profit / Loss prior to incorporation

