

Total No. of Questions : 4]

SEAT No. :

PA-1783

[Total No. of Pages : 7

[5952]-302

S.Y. B.Com.

**232 : CORPORATE ACCOUNTING - I
(2019 Pattern) (CBCS) (Semester - III)**

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates :

- 1) *Question No.1 compulsory.*
- 2) *Solve any 2 questions from remaining Q. No. 2, 3, & 4.*
- 3) *Figures to the right side indicate full marks.*

Q1) A) Fill in the blanks (Any five) : [5]

- i) _____ is the part of Revenue from Operation.
(a. Salary, b. Sales, c. Goodwill)
- ii) Company Final Account is prepared as per Section _____ of Companies Act.
(a. 129, b. 149, c. 159)
- iii) _____ is not to be included when computing of cost Property, Plant and Equipment.
(a. Delivery and installation charges, b. Site preparation costs, c. Bad debts)
- iv) Consolidated Financial Statements are prepared as per Accounting Standard _____.
(a. AS-10, b. AS-21, c. AS-14)
- v) Under profit prior to incorporation, gross profit is allocated based on the basis of _____.
(a. Time Ratio, b. Sales Ratio, c. Pre-incorporation)

P.T.O.

- vi) Loss prior to incorporation should be debited to _____.
(a. Goodwill, b. Capital Reserve, c. Revenue Reserve)
- vii) Intrinsic value of share Rs. 140, yield value of share Rs. 130, Fair value of share is _____.
(a. Rs. 135, b. Rs. 145, c. Rs. 130)

B) True or False (any five) : [5]

- i) Joint Stock Company means voluntary association of a persons created by the law.
- ii) Final Account is the group of Income Statement and Balance Sheet.
- iii) As - 14 deals with plant, property and equipment.
- iv) As - 21 deals with Accounting for Amalgamation.
- v) Under Profit Prior to Incorporation, Directors fees should be charged to the post incorporation period.
- vi) Net assets method of valuation of shares is useful in case of going concern.
- vii) Intrinsic value method is also called as assets backing method.

C) Match the following : [5]

- | | |
|------------------------|----------------------------|
| i) Copyright | a) Finance Cost |
| ii) Debenture Interest | b) Intrinsic value Method |
| iii) Net Assets Method | c) Earning Capacity Method |
| iv) Yield Basis Method | d) Time Basis |
| v) Rent & Taxes | e) Fixed-Intangible Assets |

D) Write short notes (any three) : [15]

- i) Accounting Standard-5
- ii) Need of Valuation of Shares
- iii) Pre-incorporation and Post incorporation
- iv) Company Final Accounts
- v) Factors affecting on valuation of shares

Q2) Gauri Company Ltd., was registered with an Authorised capital of Rs. 20,00,000/divided into 20,000 Equity Shares of Rs. 100 each. The Trial Balance of the Company as on 31st March 2022 was as follows : [20]

Trial Balance

As on 31st March 2022

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Motor car	3,70,000	Sales	10,50,000
Sundry Debtors	96,000	Profit & Loss A/c (1.04.2021)	2,32,000
Salaries	1,50,000	Sundry Creditors	1,68,000
Bank Interest	4,000	Debentures	1,50,000
Travelling Expenses	40,000	Share Capital	10,00,000
Machinery	8,00,000	(10,000 shares of Rs. 100 each)	
Building	5,00,000		
Discount allowed	15,000		
Wages	80,000		
Opening stock	70,000		
Purchases	3,00,000		
Carriage outward	20,000		
Cash in hand	10,000		
Printing & stationery	20,000		
Repairs	15,000		
Directors Fees	25,000		
Audit Fees	5,000		
General Expenses	80,000		
	26,00,000		26,00,000

Additional Information :

1. Stock on 31st March is Rs. 60,000/-
2. Provide Rs. 4,300/- for R.D.D. on Debtors.
3. Depreciate Machinery by 10% and Building by 5%.
4. Outstanding wages Rs. 10,000/-
5. Directors declared final dividend at 5% on paid up capital.

You are required to prepare Balance Sheet and Statement of Profit & Loss for the year ended 31st March 2022 as per Companies Act 2013 Revised Schedule VI.

Q3) Sairaj Ltd., Shirdi was Incorporated on 1st May 2021 to take over the running business from 1st January 2021. The following is the Profit and Loss Account for the year ended 31st December, 2021. [20]

Profit and Loss Account for the year ended 31st December, 2021.

Particulars	Amt.	Particulars	Amt.
To Rent and Taxes	12,000	By Gross Profit B/D	1,55,000
To Discount on Sales	3,500	By Interest on Investment	2,500
To Insurance	3,000		
To Discount on Issue of shares	3,000		
To Electricity Charges	2,400		
To Commission	6,000		
To Staff salaries	36,000		
To Carriage outward	3,000		
To Sundry Expenses	7,500		
To Preliminary Expenses	4,300		
To Sales Promotion Expenses	4,000		
To Bank Interest	1,500		
To Bad Debts	2,000		
To Dis. on Issue of Debentures	6,300		
To Telegram Charges	3,000		
To Net Profit			
C/D	60,000		
	1,57,500		1,57,500

The following details are also made available,

- a) The total turnover for the year ended 31st December, 2021 was as follows :

Cash Sales Rs. 1,29,000

Credit Sales Rs. 3,71,000

Of which Rs. 2,00,000 were for the period upto 30th April, 2021.

- b) Interest on Investment is related to the Pre Incorporation Period.
- c) Sales Promotion Expenses were directly proportionate to the turnover of the company. Ascertain the profits earned prior to and post incorporation period.

- Q4) A)** Following is the Balance Sheet of Rose Ltd., Mumbai as on 31st March 2022. [14]

Liabilities	Amt.	Assets	Amt.
Share Capital		Freehold Premises	1,00,000
2,000 Equity Shares of		Machinery	1,40,000
Rs. 100 each fully paid	2,00,000	Furniture	28,000
Reserve & Surplus		Stock in trade	40,000
Reserve Fund	1,00,000	Book Debts	88,000
Profit & Loss A/c	32,000	Bank balance	52,000
Creditors	90,000	Preliminary Expenses	4,000
Bills Payable	30,000		
	4,52,000		4,52,000

Additional Information :

a) **Assets are valued as under.**

Goodwill	-	88,000
Freehold premises	-	2,60,000
Machinery	-	1,44,000
Furniture	-	48,000
Stock in trade	-	50,000
Debtors	-	78,000

b) The profits of the company amounted to,

Year		Profit (Rs)
2018-19	-	90,000
2019-20	-	98,000
2020-21	-	1,00,00

c) It is the practice of the company to transfer 25% of profit to reserve fund.

d) The fair yield in respect of equity shares of similar type of companies is ascertained at 10%.

Find out the value of each Equity Shares as per

- i) Intrinsic Value Method
- ii) Yield Value Method
- iii) Fair Value Method

- B) On March 01, 2021, X Ltd. purchased land of Rs. 10,00,000/- for a factory site. Company demolished an old building on the property and sold the salvaged material for 20,000/- Company incurred additional cost and realized salvaged proceeds during the March 2022 as follows :

Legal fees for purchase contract and recording ownership	Rs. 50,000/-
Title guarantee insurance	Rs. 20,000/-
Cost for demolition of building	Rs. 1,00,000/-

Compute the balance to be shown in the land account on 31st March, 2022 in the Balance sheet. [6]

