

Total No. of Questions : 4]

SEAT No. :

P1748

[Total No. of Pages : 6

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S.Y.B.COM.

232 : CORPORATE ACCOUNTING - I

(2019 CBCS Pattern) (Semester -III)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) *Q.No.1 is compulsory.*
- 2) *Solve any 2 questions from the remaining i.e.No. 2,3 & 4.*
- 3) *Use of a simple calculator is allowed.*
- 4) *Figures to the right side indicate full marks.*

Q1) A) Fill in the Blanks (Any 5) :

[5]

- a) Post-acquisition profit is also known as _____.
(Capital Profit, Revenue Profit, Gross Profit)
- b) AS-21 deals with _____.
(Depreciation Accounting, Consolidated Financial Statements, Plant, Property and Equipment)
- c) Commission on Sales should be divided between pre and post incorporation period in _____.
(Adjusted Time Ratio, Sales Ratio, Time Ratio)
- d) For ascertaining pre-incorporation profits, administrative expenses are apportioned in the _____.
(Current Ratio, Time Ratio, Sales Ratio)
- e) Share Premium Account is shown on the Liability side in the Balance Sheet under the heading of _____.
(Share Capital, Reserve and Surplus, Current Liabilities and Provisions)
- f) Dividend are usually paid on _____.
(Authorised Capital, Issue Capital, Paid-up Capital)
- g) _____ = $\frac{\text{intrinsic Value} + \text{Yield Value}}{2}$
(Net Assets Value, Market Value, Fair Value)

P.T.O.

- B) True or False (Any 5) [5]
- Depreciation is charged on Livestock.
 - Profit on revaluation of fixed assets is a revenue profit.
 - Preliminary expenses must be apportioned in Time Ratio between the pre-incorporation to and post incorporation periods.
 - Inventory is a fixed Asset.
 - General Reserve can be utilised for any purpose.
 - Intrinsic value and Market price of Equity shares are always equal.
 - Preference shareholders have preferential rights to receive dividend.

C) Match the following : [5]

Column A	Column B
i) Advertisement	a) Current Asset
ii) Vendor's Salary	b) Pre-incorporation
iii) Inventory	c) Maintainable Profit
iv) Yield Value	d) Sales Ratio
v) AS-5	e) Net profit or loss for the period, prior period items and changes in accounting policies

D) Write Short Notes (Any 3) : [15]

- Need of Accounting Standards.
- Time Ratio and Sales Ratio.
- Company Final Accounts.
- Factors affecting valuation of shares.
- AS-14 Accounting for Amalgamation.

Q2) Dinkar Company Ltd. was registered with capital of ₹ 2,00,000 divided into 2,000 equity shares of ₹100 each. The Trial Balance of the company as on 31st March, 2023 was as follows. [20]

Particulars	Debit ₹	Credit ₹
Share Capital (Called up)	-	1,00,000
Motor Car	37,000	-
Sundry Debtors	9,600	-
Salaries	15,000	-
Bank Interest	400	-
Rent Received	-	3,500
Travelling Expenses	4,000	-
Machinery	80,000	-
Sales	-	1,05,000
Building	50,000	-
Discount Allowed	1,500	-
Sundry Creditors	-	16,800
Wages	8,000	-
Bank Overdraft	-	12,200
Stock on 1 st April 2022	7,000	-
Profit & Loss A/c	-	22,500
Purchases	30,000	-
Carriage	2,000	-
Cash in hand & at Bank	1,000	-
Printing & Stationery	2,000	-
Repairs & Renewals	1,500	-
Director's Remuneration	2,500	-
Audit Fees	500	-
Calls in arrears	3,000	-
Interim Dividend	5,000	-
Total	2,60,000	2,60,000

Prepare Profit & Loss A/c for the year ended 31st March, 2023 and Balance as per Revised Schedule III of the Companies Act 2013, also make the necessary working notes, after considering the following adjustments:

- Stock on 31st March, 2023 is ₹ 6,000.
- Create R.R.D. at 5% on Debtors.
- Depreciate Machinery by ₹ 2,000, Building by ₹ 7,000 and Motor Car by ₹ 620

- d) Outstanding wages ₹ 1,000.
 e) Director declared a final dividend at 20% on paid up capital.

Q3) The Citizen Company Limited was incorporated on 1st July, 2022, to take over the running business of Mr. Famous with effect from 1st April, 2022. The following Profit and Loss Account for the year ended 31st March 2023 was drawn up: [20]

Profit & Loss A/c for the year ended 31st March, 2023

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To Salaries	18,000	By Gross Profit	1,05,000
To Preliminary Exp.	1,000		
To Insurance	1,200		
To Commission	2,625		
To MD Remuneration	9,000		
To Rent & Taxes	3000		
To Discount	350		
To Advertisement	5,250		
To Bad Debts	1,250		
To Net Profit	63,325		
	1,05,000		1,05,000

Additional Information:

- a) Bad Debts 350 related to sales affected after 1st July, 2022 and the remaining relate to pre-incorporation period.
- b) Advertisement expenses were directly proportionate to the sales.
- c) Sales for the period from 1st April, 2022 to 31st March, 2023 was ₹ 14,70,000. Out of which Sales up to 30th June, 2022 was ₹ 2,10,000. Prepare Statement Showing Profit Prior to and Post Incorporation for the year ended 31st March, 2023.

Q4) a) Following is the Balance Sheet of Purohit Ltd. as on 31st March, 2023:[14]

Liabilities	Amount ₹	Assets	Amount ₹
Share Capital 27,500 Equity Share of ₹ 10 each	2,75,000	Freehold Premises	1,37,500
Reserve Fund	44,000	Machinery	1,92,500
Profit & Loss A/c	1,37,500	Furniture	38,500
Trade Payable	1,23,750	Stock	55,000
Bills Payable	41,250	Trade Receivables	1,21,000
		Bank Balance	71,500
		Formation Expenses	5,500
	6,21,500		6,21,500

Additional information :

i) Assets were valued as follows :

Assets	Amount ₹
Goodwill	1,21,000
Freehold Premises	3,57,000
Machinery	1,98,000
Furniture	66,000
Stock in Trade	68,750
Trade Receivable	1,07,750

ii) The net profits for the last three years were as follows:

Year	₹
2020-21	1,23,750
2021-22	1,34,750
2022-23	1,37,500

iii) It is the practice of the company to transfer 25% of profit to Reserve fund.

iv) The fair yield in respect of Equity Share of similar type of companies is ascertained at 10%

Calculate the value of each Equity Share under:

- 1) Net Assets Method
- 2) Yield Basis Method
- 3) Fair Value Method

- b) Radhika Co. Ltd. Constructed a Fixed Asset the expenditure related to which is given below: [6]

Particulars	Amount ₹
Material	52,00,000
Direct Expenses	7,00,000
Total wages for the year (50% is chargeable to the asset)	4,80,000
Administrative Expenses	1,25,000

Calculate the cost of Fixed Asset to be shown in the Balance Sheet

