

Total No. of Questions : 4]

SEAT No. :

PC-4979

[Total No. of Pages : 6

[6315]-102

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 is compulsory.*
- 2) *Solve any 2 questions from Q. No. 2, 3 and 4.*
- 3) *Use of calculator is allowed.*
- 4) *Figures to the right indicate full marks.*

Q1) A) Fill in the blanks with the appropriate term from the given options (any five) : [5]

- i) Interest on Debentures is recorded under _____ in Statement of Profit and Loss Account.
(Other Expenses, Finance Cost, Exceptional Items)
- ii) _____ deals with Consolidated Financial Statement.
(AS-21, AS-10, AS-14)
- iii) Intrinsic Value Method is also known as _____.
(Real Value Basis Method, Market Value Method, Fair Value Method)
- iv) In Company's Final Account, Bonus Payable to Employees is recorded under _____.
(Opening Inventory, Reserves and Surplus, Employee Benefit Expenses)
- v) Depreciation on Fixed Assets should be divided between pre- and post-incorporation period in _____.
(Sales Ratio, Time Ratio, Purchase Ratio)
- vi) According to AS-5 a change in the useful life of the depreciable assets is a _____.
(Change in Accounting Estimates, Prior Period Item, Extra-ordinary Item)
- vii) Bills discounted but not yet matured is a _____.
(Non-current Liability, Current Liability, Contingent Liability)

P.T.O.

B) State whether the following statements are True or False (any five) [5]

- i) Patent is an Intangible Asset of a company.
- ii) In case of Amalgamation Scheme, Valuation of shares is not required.
- iii) Revenue Profit occurred in the event of profit prior to incorporation is available for payment of dividend.
- iv) According to AS 10, Livestock is a depreciable asset.
- v) Any loss incurred prior to incorporation is treated as Capital Loss and debited to Goodwill Account.
- vi) Bond or Debenture is a current liability.
- vii) Provision for Taxation should be calculated on Gross Profit.

C) Match the following : [5]

Group A	Group B
i) Interest on Partner's Capital	a) Effective Rate of Return on Investments
ii) Litigation Settlement Expense	b) AS 14
iii) Accounting for Amalgamation	c) Pre-incorporation period
iv) Yield	d) Reserve Capital
v) Uncalled Share Capital	e) Exceptional Item

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

- i) AS - 5
- ii) Factors affecting Valuation of Shares
- iii) Managerial Remuneration
- iv) Interest to Vendor
- v) Amalgamation in the nature of merger

Q2) Afcon India Ltd. has an Authorised Capital of ₹ 8,00,000 divided into 8,000 equity shares of ₹ 100 each. Following is the Trial Balance as on 31.03.2024.

[20]

Trial Balance
As on 31.03.2024

Particulars	Debit Balance	Credit Balance
Share Capital		8,00,000
Land and Building	3,60,000	
Plant and Machinery	6,62,400	
Computers & Printers	37,600	
Preliminary Expenses	19,600	
Furniture	14,400	
Cash in Hand	8,000	
Investment in Shares of Reliance Industries Ltd.	39,520	
Bills Receivable	54,400	
Patents and Copyright	64,000	
Motor Car	12,000	
Sundry Debtors	83,200	
Interim Dividend Paid	18,000	
Repairs & Maintenance	3,440	
Trade Payables		1,22,400
Reserve Fund		60,000
Profit and Loss Account (1.4.2023)		35,200
Purchase and Purchases Return	9,60,000	20,000
Sales and Sales Return	28,000	12,31,200
Advertisement	14,160	
Carriage Outward	14,800	
Wages	92,800	
Insurance Premium	19,600	
Stock on 1.4.2023	1,90,400	
Sundry Expenses	17,200	
6% Debentures		4,00,000
Bank Overdraft		44,720
Total	27,13,520	27,13,520

Additional Information :

- Closing Stock as on 31.03.2024 ₹ 1,76,800.
- Create Reserve for Bad Debts at 5% on Sundry Debtors.
- Provide Depreciation: Plant and Machinery @ 5%, Furniture 7.5%. Motor Vehicle @ 20%.
- Reserve Fund to be increased by ₹ 10,000.
- Directors declared an interim dividend @ 3% on Paid-up Capital.
- Interest on Debentures was outstanding for the year.

Q3) Sumit Ltd. Was incorporated on 1st July 2023, to take over the running business of a partnership firm with effect from 1st April 2023. The following Profit and Loss Account for the year ended 31st March 2024. [20]

In the books of Sumit Ltd.

Profit and Loss Account for the year ended 31st March 2024.

Particulars	Amount	Particulars	Amount
To Commission	1,20,000	By Gross Profit	10,20,000
To Advertisement	1,20,000		
To Depreciation	80,000		
To Salaries	1,60,000		
To Insurance	30,000		
To Rent	1,00,000		
To Discount	24,000		
To Salary to Partners	20,000		
To Directors Fees	29,400		
To Carriage Outward	12,000		
To Administrative Expenses	37,000		
To Sales Promotion Expenses	11,200		
To Net Profit	2,76,400		
	10,20,000		10,20,000

Additional Information :

- The total turnover for the year ended 31st March 2024 was Rs. 24,00,000. The sales from 1st April 2023 to 30th June 2023 was Rs. 8,00,000.
- Advertisement was directly proportionate to the sales.

Q4) a) Following is the Balance Sheet of Amol Ltd. as on 31st March 2024.[14]

Liabilities	Amount	Assets	Amount
Issued & Subscribed Share Capital (52,000 shares of Rs.10 each)	5,20,000	Goodwill	79,200
		Freehold Premises	4,00,000
6% Preference share Capital	1,00,000	Plant & Machinery	3,00,000
General Reserve	2,62,600	Motor Vehicles	96,400
Profit & loss	2,19,000	Sundry Debtors	3,00,000
8% Debentures	1,54,000	Stock in Trade	2,54,000
Sundry Creditors	1,26,000	Cash	20,000
Bills payable	68,000		
	14,49,600		14,49,600

Additional Information :

i) Assets were valued as follows:

Particulars	Amount
Goodwill	1,27,000
Freehold Premises	3,25,600
Plant & Machinery	2,85,400
Motor Vehicles	87,600
Stock in Trade	2,54,000
Sundry Debtors	1,80,400

ii) The net profit for the last three years was as follows

Year	Amount
2021-2022	1,51,200
2022-2023	1,91,400
2023-2024	2,19,000

iii) It is a general practice of the company to transfer 25% of profits to General Reserve every year.

iv) A normal rate of return in respect of Equity Shares of similar type of companies is ascertained at 15%

You are required to calculate the value each equity share under :

- I) Net Asset Method
- II) Yield basis Method
- III) Fair Value Method

- b) Clipla Ltd. is installing a new plant at its production facility. It has incurred following costs; [6]

Particulars	Amount
Cost of Plant (As per invoice)	25,00,000
Initial delivery charges	2,00,000
Initial handling cost	2,00,000
Cost of site preparation	5,00,000
Consultants fees for acquiring the plant	2,50,000
Interest paid to Supplier	1,50,000

Compute the balance to be shown in the Plant & Machinery. A/c on 1st April, 2023 in the Balance sheet.

