

Total No. of Questions : 4]

SEAT No. :

PD-2907

[Total No. of Pages : 6

[6439]-2

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 simple 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) Profit earned before incorporation is known as _____.
(Gross Profit; Capital Profit; Revenue Profit)
- ii) According to revised AS-10, _____ shall also be considered to the cost of Property, Plant and Equipment.
(Cost of Dismantling; Provision for Depreciation; Cost of Acquisition)
- iii) Intrinsic Value Method is also known as _____.
(Fair Value Method; Market Value Method; Real Value Basis Method)
- iv) Dividend received is recorded under _____ note in the statement of profit and loss.
(Revenue from Operations; Other Income; Exceptional Items)
- v) AS-14 deals with _____.
(Accounting for Amalgamation; Consolidated Financial Statements; Accounting for Investments)
- vi) Under _____, shares are valued on the basis of expected earning and normal rate of return.
(Maintainable Profit; Dividend Yield; Earning Yield)
- vii) Staff welfare expenses are recorded under _____.
(Employee Benefit Expenses; Finance Costs, Contingent Liabilities)

P.T.O.

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

- i) AS 10 deals with Livestock.
- ii) Shares issued at a discount refer to the issuance of shares at a price lower than their face value.
- iii) The excise duty is added while calculating revenue from operations.
- iv) Contribution to Provident fund is treated as Employee Benefit Expenses.
- v) According to AS – 5; Expenses of ₹ 8,00,000 omitted to record in the books is an example of ordinary item.
- vi) All standing charges must be allocated in time ratio while ascertaining profits prior to incorporation.
- vii) In net asset method all assets are valued at book value only.

C) Match the following : [5]

| Group A | Group B |
|----------------------------|--|
| i) Uncalled share capital | a) Avg. value of share as per Net Asset & Yield Basis method |
| ii) Quoted shares | b) Post-incorporation |
| iii) Fair Value Method | c) Reserve Capital |
| iv) Losses due to flood | d) Listed with Stock Exchange |
| v) Underwriters commission | e) Extra-ordinary item |

D) Write Short Notes (any three) : [15]

- i) AS - 5
- ii) Benefits of Accounting Standards
- iii) Managerial Remuneration
- iv) Needs of valuation of shares
- v) Treatment of post-incorporation profit and loss

Q2) From the following Trial balance of Geoweave India Ltd., Prepare Balance Sheet and Statement of Profit and Loss for the year ended 31st March 2025 as per Schedule III of Companies Act 2013. Also prepare necessary notes to accounts. [20]

Trial Balance
As on 31.03.2025

| Particulars | Debit Balance | Credit Balance |
|--|------------------|-------------------|
| Share Capital | | |
| 4,000,8% Preference Shares of 100 each | | 4,00,000 |
| 10,000 Equity Shares of ₹ 100 each | | 10,00,000 |
| General Reserve | | 40,000 |
| Opening Stock | 3,40,000 | |
| Sundry Debtors | 3,20,000 | |
| Sundry Creditors | | 1,72,000 |
| Bills Receivable | 48,000 | |
| Profit & Loss A/c (As on 1.04.2024) | | 24,000 |
| Business Premises | 4,00,000 | |
| Plant and Machinery | 3,20,000 | |
| Furniture | 92,000 | |
| Investments | 1,00,000 | |
| Cash in Hand | 10,000 | |
| Cash at Bank | 4,90,400 | |
| Insurance | 4,800 | |
| Advertisement | 16,000 | |
| Purchases | 9,00,000 | |
| Sales | | 17,20,000 |
| Carriage Inward | 16,000 | |
| Manufacturing Wages | 1,20,000 | |
| Bad Debts | 4,400 | |
| Salaries | 28,000 | |
| Depreciation on Assets | 1,00,000 | |
| Office Expenses | 18,800 | |
| Preliminary Expenses | 32,000 | |
| Bills Payable | | 4,400 |
| Total | 33,60,400 | 33,60,400 |

Additional Information :

- a) The Authorised Capital of the company is 10,000 Equity Shares of ₹ 100 each.
- b) Closing Stock was valued at ₹ 3,20,000 at cost and ₹ 3,40,000 at market price.
- c) Salaries Payable were ₹ 6,000.
- d) Provide ₹ 72,000 for Taxation.
- e) Write off, half of the Preliminary expenses.
- f) Goods worth ₹ 20,000 were sold as on 28-03-2025 and delivered to the customer but were not recorded in Sales Book.
- g) Directors declared 8% dividend on Preference Shares and 10% on Paid up Equity Shares.

Q3) Prashant Ltd. Pune was incorporated on 1st August 2024 to take over the running business with effect from 1st April, 2024. The Profit and Loss Account for the year ended 31st March, 2025 was as follows : [20]

Profit and Loss Account

For the year ended 31st March 2025

| Particulars | Amount | Particulars | Amount |
|--------------------------|-----------------|--------------------|-----------------|
| To Staff Salaries | 75,000 | By Gross Profit | 9,00,000 |
| To Rent | 45,000 | | |
| To Partner's Salary | 24,000 | | |
| To Carriage Outward | 18,000 | | |
| To Audit Fees | 8,500 | | |
| To Depreciation | 1,20,000 | | |
| To Interest to Vendors | 15,000 | | |
| To Office Expenses | 24,000 | | |
| To Publicity Charges | 90,000 | | |
| To Printing & Stationery | 18,000 | | |
| To Discount Allowed | 30,000 | | |
| To Bad Debts | 7,500 | | |
| To Debenture Interest | 25,000 | | |
| To Net Profit | 4,00,000 | | |
| | 9,00,000 | | 9,00,000 |

Additional Information :

- a) Sales for the year were ₹ 30,00,000 of which sales up to 1st August, 2024 were ₹ 12,50,000.
- b) Purchase Consideration was paid to the vendor on 1st Oct. 2024.
You are required to prepare statement showing profit prior to and post incorporation.

- Q4) a) Following is the Balance Sheet of Sonali Ltd., Nashik as on 31st March 2025. [14]

| Liabilities | Amount (₹) | Assets | Amount (₹) |
|---|-----------------|-------------------|-----------------|
| Share Capital : | | Goodwill | 30,000 |
| 15,000 Equity Shares of ₹ 10 each | 1,50,000 | Land & Building | 70,000 |
| 10,000 Preference shares of ₹ 10 each | 1,00,000 | Plant & Machinery | 1,00,000 |
| Reserve & Surplus: | | Furniture | 50,000 |
| General Reserve | 50,000 | Stock | 50,000 |
| Profit & Loss A/c | 50,000 | Sundry Debtors | 60,000 |
| Current Liabilities & Provisions | | Cash at Bank | 20,000 |
| Sundry Creditors | 30,000 | Cash in Hand | 20,000 |
| Bills Payable | 20,000 | | |
| | 4,00,000 | | 4,00,000 |

Additional information:

- i) Assets were valued as follows:

| | |
|-------------------|------------|
| Goodwill | ₹ 25,000 |
| Land & Building | ₹ 80,000 |
| Plant & Machinery | ₹ 1,20,000 |
| Furniture | ₹ 60,000 |
| Stock | ₹ 70,000 |
| Sundry Debtors | ₹ 50,000 |

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

| Year | Amount (₹) |
|---------|------------|
| 2021-22 | ₹ 40,000 |
| 2022-23 | ₹ 30,000 |
| 2023-24 | ₹ 30,000 |
| 2024-25 | ₹ 50,000 |

- iii) It is the normal practice of the company to transfer 25% profit to the reserve fund.
- iv) Similar companies give a yield of 15% on the market value of the shares.

Calculate the value of each Equity Share under:

- I) Net Assets Method
- II) Yield Value Method
- III) Fair Value Method

- b) Neha industries Ltd., Chakan purchased a plot of Land from Raj Ltd as on 1st April 2025 for which the following information has been given:[6]

| | |
|--|-------------|
| Purchase Price of Land | ₹ 37,50,000 |
| Transfer of title | ₹ 1,30,000 |
| Other Legal charges | ₹ 50,000 |
| Cost of demolition of old Building on land | ₹ 45,000 |
| Sale of scrap of old Building on land | ₹ 5,000 |

You are required to calculate the cost of Land.

