

Total No. of Questions : 4]

SEAT No. :

P2933

[Total No. of Pages : 4

[5801]-402

S.Y. B.Com.

242 - CORPORATE ACCOUNTING - II
(CBCS 2019 Pattern) (Semester - IV)

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) Pre-acquisition profit in subsidiary company is considered as _____.
 - a) Revenue profit
 - b) Capital profit
 - c) Goodwill
- ii) Holding Co.'s share in capital profits of subsidiary company is adjusted in _____.
 - a) Cost of control
 - b) Shown on Assets side of Balance sheet
 - c) Revenue profit
- iii) Liquidation is a _____ by which the corporate life of a company is brought to an end.
 - a) Legal procedure
 - b) Social procedure
 - c) Financial procedure
- iv) Winding up by the creditors or members without any intervention of the tribunal is termed as _____.
 - a) Compulsory winding up
 - b) Voluntary winding up
 - c) Winding up by the order of the court
- v) The accounting for absorption involves closing the books of _____.
 - a) Purchasing company
 - b) Vendor company
 - c) Transferee company

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- vi) Against the purchase of business, the amount paid to a company is called as _____.
- Purchase Consideration
 - Goodwill
 - Capital Reserve
- vii) _____ is a combination of accounting and investigative techniques used to discover financial crimes.
- Financial Accounting
 - Cost Accounting
 - Forensic Accounting
- b) True or false (any five) [5]
- Minority interest shown in the consolidated balance sheet is the equity held by the outsiders in the subsidiary company.
 - Profit on revaluation of Fixed assets is a capital profit and depreciation on such amount is a revenue loss.
 - Under the Absorption of Companies, General Reserve is transferred to the equity shareholder's account.
 - Purchase Consideration is paid in the form of cash, Equity Shares & Preference Shares.
 - Income Tax is treated as a preferential creditor.
 - Liquidation of company means winding up of a company.
 - Post incorporation profit is known as Revenue Profit.
- c) Match the pair. [5]
- | | |
|---------------------|---|
| i) Sundry Creditors | a) Loss on revaluation of fixed assets. |
| ii) Holding Company | b) One liquidation and no formation of new company |
| iii) Absorption | c) Two or more companies come together and form a new company |
| iv) Amalgamation | d) Unsecured Creditors |
| v) Capital Loss | e) Acquires more than 50% shares from another company |
- d) Write short notes. (any three) [15]
- Cost of control / Goodwill
 - Voluntary winding up of a company
 - Purchase Consideration
 - Objectives of Forensic accounting
 - Nature of Forensic accounting

Q2) The Balance Sheet of Viraj Ltd., Pune as on 31st March 2021 is as follows :

[20]

Balance Sheet as on 31st March, 2021

Liabilities	Rs.	Assets	Rs.
Share Capital		Land & Building	2,00,000
1,000 6% Preference Shares of Rs. 100 each	1,00,000	Plant & Machinery	2,20,000
3,500 Equity Shares of Rs. 100 each fully Paid	3,50,000	Stock	1,00,000
6% Debentures (Floating charge on all assets)	1,00,000	Debtors	1,00,000
Bank Loan (Secured on Land & Building)	1,00,000	Cash at Bank	30,000
Sundry Creditors	90,000	Preliminary Expenses	40,000
Income Tax	10,000	Profit and Loss A/c	60,000
	7,50,000		7,50,000

The company went into liquidation on 31st March 2021. The preference dividend was in arrears for three years. The arrears are payable on liquidation. The assets were realized as follows :

Land & Building Rs. 2,40,000, Plant & Machinery Rs. 1,80,000, Stock Rs. 70,000 and Debtors Rs. 60,000.

The Expenses of liquidation amounted to Rs. 8,000. The liquidator is entitled to a remuneration of @ 2% on all assets realized and 3% on the amount distributed to unsecured Creditors (including preferential creditors).

All payments were made on 1st October 2021.

Prepare Liquidator's Final Statement of Accounts

Q3) The Balance sheet of H Ltd., and S Ltd. as of 31st March 2022 is as follows.[20]

Balance Sheet as on 31st March, 2022

Liabilities	H Ltd. (Rs.)	S Ltd. (Rs.)	Assets	H Ltd. (Rs.)	S Ltd. (Rs.)
Share Capital			Goodwill	60,000	20,000
Eq. shares of Rs. 10 each	10,00,000	4,00,000	Machinery	7,32,000	2,72,000
			Stock	1,80,000	90,000
General Reserve	1,50,000	-	Debtors	2,95,000	1,23,000
Profit and Loss A/c	1,42,000	60,000	Cash	35,000	27,000
Creditors	1,82,000	87,000	Investment	1,92,000	-
Bills Payable	20,000	-	24,000 Shares of S Ltd. at cost		
			Bills Receivable	-	15,000
	14,94,000	5,47,000		14,94,000	5,47,000

Other Information :

- a) H Ltd., acquired the shares in S Ltd. on 1st October 2021.
- b) The Profit and Loss A/c of S Ltd. showed a debit balance of Rs. 20,000 on 1st April, 2021.
- c) Included in the stock of S Ltd., are goods of Rs. 20,000 which were supplied by H Ltd. at cost plus 25%.
- d) The Bills payable in H Ltd., represented Rs. 15,000 issued in favor of S Ltd.

Prepare a Consolidated Balance Sheet as on 31st March 2022.

Q4) The balance sheet of Super Ltd, Pune as on 31st March, 2022 was as follows:
[20]

Balance Sheet as on 31st March, 2022

Liabilities	Rs.	Assets	Rs.
Share Capital 2,000 shares of Rs. 100 each	2,00,000	Land & Building	1,40,000
		Plant & Machinery	1,10,000
General Reserve	64,000	Stock	98,000
Profit & Loss	60,000	Debtors	42,000
Bills Payable	42,400	Cash at Bank	14,400
Creditors	70,000	Advertisign suspense A/c	32,000
	4,36,400		4,36,400

Super Ltd. was absorbed by Fast Ltd. Baramati on the following terms :

- a) Super Ltd. agreed to write off Advertising Suspense A/c against its own reserves.
- b) Fast Ltd. revalued the assets of Super Ltd. as under.
Land & Building Rs. 1,50,000, Plant & Machinery Rs. 1,04,000, Stock Rs. 1,20,000 and Debtors at Book Value.
- c) Fast Ltd. took over all the assets (including Cash at Bank) and Liabilities of Super Ltd. and agreed to discharge the purchase consideration in 2,600 Shares of Rs. 100 each at Rs. 110 per Share and balance in cash.
- d) Super Ltd. paid its Liquidation expenses Rs. 4,000.

Prepare Realization A/c, fast Ltd., A/c, Shareholders A/c, and Bank A/c in the books of Super Ltd., and Opening Entries in the books of Fast Ltd.

