

Total No. of Questions : 4]

SEAT No. :

PA-1804

[Total No. of Pages : 5

[5952]-402

S.Y. B.Com. (Semester - IV)

242 : CORPORATE ACCOUNTING - II

(2019 Pattern) (CBCS)

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.
- 4) Use of calculator is allowed.

Q1) A) Fill in the blanks (Any 5 out of 7) [5]

- i) Post-acquisition profit in subsidiary company is considered as \_\_\_\_\_.  
(a. Revenue profit, b. Capital profit, c. Goodwill)
- ii) Minority Interest is shown on \_\_\_\_\_.  
(a. Cost of control, b. Liabilities side of Balance sheet, c. Revenue profit)
- iii) Liquidation is a \_\_\_\_\_ procedure 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 order of court is known as \_\_\_\_\_.  
(a. Compulsory winding up, b. Voluntary winding up, c. Winding up by the order of court)
- v) The accounting for absorption involves closing the books of \_\_\_\_\_.  
(a. Purchasing company, b. Vendor company, c. Transferee company)

P.T.O.

- vi) Purchase Consideration = \_\_\_\_\_ (-) Liabilities taken  
(a. Assets taken. , b. Goodwill, c. Capital Reserve)
- vii) \_\_\_\_\_ is a combination of accounting and investigative techniques used to discover financial crimes.  
(a. Financial Accounting, b. Cost Accounting, c. Forensic Accounting)

B) True or False (Any 5 out of 7) [5]

- i) Capital Reserve is shown on the Asset side of the consolidated Balance Sheet in Holding Company account.
- ii) Loss on revaluation of Fixed assets is a capital profit.
- iii) General Reserve is transferred to the Preference shareholder's account.
- iv) Purchase Consideration can be paid in the form of cash, Equity Shares & Preference Shares.
- v) Municipal Tax is a Preferential creditor.
- vi) Liquidation of company means winding up of accompany.
- vii) Pre-acquisition profit is known as Revenue Profit.

C) Match the pair : [5]

- |                     |   |
|---------------------|---|
| i) Bank overdraft   | a) Profit on revaluation of fixed assets.             |
| ii) Holding Company | b) One liquidation and no formation of new company.   |
| iii) Absorption     | c) Preferential Creditors.                            |
| iv) Employees Dues  | d) Unsecured Creditors                                |
| v) Capital Profit   | e) Acquire more than 50% shares from another company. |

D) Write short notes (Any 3 out of 5)

[15]

- i) Holding Company Account
- ii) Voluntary winding up
- iii) Method of Purchase Consideration
- iv) Objective of Forensic accounting
- v) Nature of Forensic accounting

Q2) H Ltd. Acquired Equity shares in S Ltd as on 1<sup>st</sup> April, 2021 Their Balance Sheet as on 31<sup>st</sup> March, 2022 was as follows. [20]

**Balance Sheet as on 31<sup>st</sup> March, 2022**

<b>Liabilities</b>	<b>H Ltd (Rs.)</b>	<b>S Ltd. (Rs.)</b>	<b>Assets</b>	<b>H Ltd. (Rs.)</b>	<b>S Ltd. (Rs.)</b>
Share Capital			Land & Building	1,00,000	20,000
Eq. shares of Rs. 100 each	2,50,000	50,000	Plant & Machinery	1,50,000	30,000
General Reserve (1/4/2021)	50,000	20,000	Stock	40,000	25,000
Profit and Loss A/c	70,000	25,000	Debtors	30,000	15,000
Creditors	30,000	5,000	Cash	30,000	10,000
			<b>Investment</b> (400 Shares of S Ltd. at cost)	50,000	-
	<b>4,00,000</b>	<b>1,00,000</b>		<b>4,00,000</b>	<b>1,00,000</b>

**Other Information :**

- 1) Sundry Debtors of H Ltd., include Rs. 5,000 due from S Ltd.
- 2) On 1<sup>st</sup> April, 2021 the Profit and Loss A/c of S Ltd. showed a credit balance of Rs. 5,000.
- 3) Included in the stock of S Ltd., are goods of Rs. 20,000 which were supplied by H Ltd., on which Company made profit of 25% on Sales.

Prepare a Consolidated Balance Sheet as on 31<sup>st</sup> March, 2022. with necessary working notes.

Q3) The Balance Sheet of Ashoka Ltd., Pune as on 31<sup>st</sup> March, 2022 is as follows : [20]

**Balance Sheet as on 31<sup>st</sup> March, 2022**

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

The company went into liquidation on 31<sup>st</sup> March, 2022. The preference dividend was in arrears for three years as per article it was to be paid. 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 @2% on all assets realized and 3% on amount distributed to unsecured Creditors including preferential creditors. All payments made on 1<sup>st</sup> October, 2022.

Q4) The Balance Sheet of Hira Ltd, Pune as on 31<sup>st</sup> March,2022 was as follows:  
[20]

**Balance Sheet as on 31<sup>st</sup> March, 2022**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Share Capital 4,000 shares of Rs. 100 each	4,00,000	Land & Building Plant & Machinery	2,80,000 2,20,000
General Reserve	1,28,000	Stock	1,96,000
Profit & Loss	1,20,000	Debtors	84,000
Bills Payable	84,800	Cash at Bank	28,800
Creditors	1,40,000	Advertising Expenses	64,000
	<b>8,72,800</b>		<b>8,72,800</b>

Hira Ltd. was absorbed by Sitara Ltd. Solapur on the following terms :

- i) Hira Ltd. agreed to write off Advertising Expenses against its own reserves.
- ii) Sitara Ltd. revalued the assets of Hira Ltd. as under :  
Land & Building Rs. 3,00,000, Plant & Machinery Rs. 2,08,000, Stock Rs. 2,40,000 and Debtors at Book Value.
- iii) Sitara Ltd. took over the assets and Liabilities of Hira Ltd. and agreed to discharge the purchase consideration in 5,200 Shares of Rs. 100 each at Rs. 110 per Share and balance in cash.
- iv) Hira Ltd. paid its Liquidation expenses Rs. 8,000.

Prepare Realization A/c, Sitara Ltd. A/c, Shareholders A/c, Bank A/c in the books of Hira Ltd. and Opening Entries in the books of Sitara Ltd.

