

Total No. of Questions : 4]

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SEAT No. :
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[6032]-402

S.Y.B.Com.

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

Time : 2½ Hours]

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.

[Max. Marks : 70

- Q1) a) Fill in the blanks with the appropriate term from the given options (any five) [5]
- i) Consolidated Balance sheet is prepared by _____
(Subsidiary Company, Holding Company, Minority Interest)
 - ii) Purchase Consideration = Agreed value of assets _____
(Agreed value of Liabilities, Agreed value of Current Assets, Share Capital)
 - iii) _____ is a type of Investigative Accounting.
(Inflation Accounting, Cost Accounting, Forensic Accounting)
 - iv) List-E of Statement of Affairs under liquidation of Companies represents _____
(Unsecured Creditors, Secured Creditors, Preferential Creditors)
 - v) Profit and Loss A/c credit balance of the vendor company is transferred to _____ A/c.
(Realization A/c, Equity Shareholders A/c, Bank A/c)
 - vi) Goodwill is also known as _____
(Cost of acquisition, Cost of Control, Cost of goods sold)
 - vii) Forensic Accounting helps in detection of _____
(Frauds, Errors, Errors & Frauds)
- b) State whether the following statements are True or False (any five) [5]
- i) Holding Company is one which owns more than 50% shares in another company.
 - ii) Forensic Accounting is useful in detection of errors.
 - iii) Revenue Profit is also known as Post-acquisition Profit.
 - iv) Inter Company Owings arise on account of transactions between the Holding Company and Subsidiary company.

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- v) Under Absorption of companies, the balance in Bank A/c is transferred to Realisation A/c.
- vi) Purchase Consideration is always settled by making the payment in cash only.
- vii) A liquidator has the right to receive remuneration.

c) Match the Following [5]

Column A	Column B
i) Money Laundering	1) Goodwill
ii) Winding up of a company	2) Equity Shareholders
iii) Net Asset Method	3) Forensic Accounting
iv) Intangible	4) Liquidator
v) Owners of a company	5) Purchase Consideration

d) Write Short Notes (any three) [15]

- i) Forensic Accounting and its objective
- ii) Capital Profit and Revenue Profit
- iii) Liquidation of company
- iv) Purchase Consideration and Methods of Calculation of Purchase Consideration
- v) Advantages Forensic Accounting

Q2) Following is the Balance Sheet of Infotch Ltd. for the year Ended 31st March, 2023. [20]

Liabilities	Rs.	Assets	Rs.
Share Capital		Goodwill	8,40,000
12,000 Equity Shares of Rs.100/-each fully paid	12,00,000	Land & Building	16,35,000
17,500 Equity Shares of Rs. 100/-each Rs. 90 paid up	15,75,000	Plant & Machinery	6,75,000
7,500,8% Preference Shares of Rs.100 each fully paid	7,50,000	Furniture	75,000
8% Debentures (floating charge on all assets)	7,50,000	Office Equipment	1,50,000
Outstanding Debenture Interest	30,000	Stock	7,42,500
Creditors	12,00,000	Debtors	6,37,500
	55,05,000	Bills Receivable	1,65,000
		Cash in Hand	60,000
		Profit & Loss A/c	5,25,000
			55,05,000

The company went into voluntary liquidation on 31st March, 2023:

- a) The Preference dividend was in arrears for 3 years and as per the articles it was to be returned before returning the equity capital
- b) Sundry creditors include a loan of Rs. 3,00,000 secured on hypothecation of Plant and Machinery and Preferential Creditors of Rs. 75,000.
- c) The Liquidator realized the assets as follows:

Particulars	Rs.
Land & Building	16,12,500
Plant & Machinery	3,75,000
Furniture	60,000
Office Equipment	97,500
Stock	5,25,000
Debtors	4,50,000
Bills Receivable	1,05,000

- d) Legal Charges on liquidation amounted Rs. 7,500 and the liquidation expenses were Rs.10,000.
 - e) The Liquidator's remuneration was fixed at Rs. 7,500 plus 2% on sale of assets plus 2% on the amount distributed to unsecured creditors (including preferential creditors)
- Prepare Liquidator's Final Statement of Accounts if all payments were made on 31st March 2023

Q3) Following are the Balance Sheets of H Ltd, and its Subsidiary S. Ltd. as on 31st March, 2023 [20]

Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
Share Capital					
Equity Shares of Rs.100/-each	49,50,000	20,00,000	Fixed Assets	26,32,500	15,52,500
General Reserve	5,85,000	4,50,000	Sundry Debtors	12,82,500	6,97,500
Profit & Loss A/c	6,30,000	1,35,000	Stock	9,00,000	6,07,500
Creditors	4,27,500	4,75,000	Investments (16,000 shares in S Ltd.)	17,55,000	
			Cash at Bank	22,500	2,02,500
	65,92,500	30,60,000		65,92,500	30,60,000

Additional Information :

- H Ltd. acquired shares in S Ltd. on 1st April 2022.
- On 1st April, 2022 S Ltd. had a balance of Rs. 1,50,000 in its General Reserve and the Profit and loss A/c showed a credit balance of Rs. 35,000
- The stock of H Ltd. includes good purchased from S Ltd. for Rs. 2,50,000 at a profit of 25% on cost.
- Debtors of H Ltd. include Rs. 3,00,000 due from S Ltd.

Prepare a Consolidated Balance sheet of H Ltd. and its subsidiary S Ltd. and give the necessary working notes.

Q4) Following is the Balance sheet of Karuna Ltd., as on 31st March, 2023. [20]

Liabilities	Rs.	Assets	Rs.
Share Capital		Goodwill	2,12,500
8,500 shares of Rs. 100/-each	8,50,000	Land & Building	6,37,500
General Reserve	2,12,500	Plant & Machinery	3,52,750
Profit & loss A/c	85,000	Stock	1,48,750
9% Debentures of Rs. 100/-each	4,25,000	Debtors	1,36,000
Creditors	1,27,500	Cash at Bank	2,12,500
	<u>17,00,000</u>		<u>17,00,000</u>

Karuna Ltd. was absorbed by Mamata Ltd. on the following terms.

- Mamata Ltd. to take over all assets of Karuna Ltd. (except Cash and Goodwill) @ 10% less than the book value and to pay Rs. 5,00,000 for Goodwill.
 - Mamata Ltd. to take over the creditors of Karuna Ltd. at book value.
 - The purchase consideration was discharged by issue of 5,000 equity share of Rs. 100/-each @ Rs. 120/- and the balance in cash.
 - The cost of Liquidation amounted Rs. 15,000 to be paid by Karuna Ltd.
- You are required to :
- Show the calculation of Purchase consideration
 - Prepare Realisation A/c, New Company's A/c, Equity Shareholders A/c and Bank A/c in the books of Karuna Ltd.
 - Give the opening Journal Entries in the books of Mamata Ltd.

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