

Total No. of Questions : 4]

SEAT No. :

PC-4836

[Total No. of Pages : 5

[6315]-202

S.Y. B.Com.

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

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 basic 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) Under _____ goodwill is recorded which is arising from amalgamation.
(Purchase Method, Amalgamation Method, Pooling of Interest)
- ii) Profit included in the closing stock is known as _____.
(Accumulated Profit, Capital Profit, Unrealized Profit)
- iii) In consolidated balance sheet Holding Company's share of revenue profit / loss is adjusted to _____.
(Profit & Loss A/c, Goodwill, Minority Interest)
- iv) Municipal Taxes are _____ creditors.
(Preferential, Secured, Unsecured)
- v) _____ has access to lot of sensitive financial information of the organization.
(Financial Accountant, Management Accountant, Forensic Accountant)
- vi) One of the important sources of raising funds in the event of a company's liquidation is _____ of the company.
(called up capital, uncalled capital, subscribed capital)
- vii) _____ is a financial forensic engagement.
(Mortgage Fraud, Dispute, Breach of trust)

P.T.O.

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

- i) In winding up of a company a liquidator is responsible to repay capital to shareholders up to the full amount of market value of the shares held by them.
- ii) A forensic accountant uses interviews and leveraging techniques designed to elicit sufficient information to prove or disapprove a hypothesis.
- iii) Unrealised profit is calculated on goods sold by holding company included in closing stock of subsidiary company.
- iv) The willful act of stealing someone's identity for monetary benefits is called Identity Theft.
- v) Minority Interest shown in the consolidated balance sheet is the equity held by the holding company in the subsidiary company.
- vi) Forensic Accounting is sometimes referred to as Forensic Auditing.
- vii) A new company has not been formed in case of absorption.

C) Match the following : [5]

Group A	Group B
i) Forensic Accounting	a) Net-Asset Method
ii) Revenue Profit	b) By Court
iii) Compulsory winding up	c) List H
iv) Purchase Consideration	d) Money Laundering
v) Deficiency Account	e) After the date of acquisition of shares

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

- i) Objectives of Forensic Accounting
- ii) Compulsory Winding up
- iii) Payment basis method
- iv) Examples of Forensic Accounting
- v) Minority Interest

Q2) The Balance Sheet of Rajnish Ltd. As on 31st March 2024 was as follows.[20]

Balance Sheet
As on 31st March 2024

Liabilities	Amount
Share Capital	
2000, 8% Preference Shares of ₹ 100 each fully paid	2,00,000
4,000 Equity shares of ₹ 100 each ₹ 80 paid.	3,20,000
6,000 Equity shares of ₹ 100 each ₹ 70 paid.	4,20,000
8% Debentures (having floating charges on all assets)	2,00,000
Debenture Interest Payable	8,000
Sundry Creditors	3,20,000
	14,68,000
Asstes	Amount
Goodwill	2,24,000
Land and Buildings	4,36,000
Plant and Machinery	1,80,000
Furniture	20,000
Office Equipment	40,000
Stock	1,98,000
Debtors	1,70,000
Bills Receivable	44,000
Cash in Hand	16,000
Profit & Loss	1,40,000
	14,68,000

The Company went into voluntary liquidation as on that date.

- a) Preference Dividend was in arrears for last three years and as per the articles, it was to be returned before returning Equity Capital.
- b) Sundry Creditors include a Loan of ₹ 80,000 secured on the hypothecation of Plant and Machinery and Preferential Creditors of ₹ 20,000.
- c) The liquidator realised the assets as follows:
 - Land and Buildings ₹ 4,30,000
 - Plant and Machinery ₹ 1,00,000
 - Office Equipment ₹ 25,000
 - Furniture ₹ 16,000
 - Stock ₹ 1,40,000
 - Debtors ₹ 1,20,000
 - Bills Receivable ₹ 28,000

- d) Legal charges on liquidation amounted to ₹ 2,000. The liquidation expenses were ₹ 5,200.
- e) There was a typewriter which was completely written off from the books of accounts, but the liquidator sold it for ₹ 1,000 which was not included in the office Equipments mentioned above.
- f) The liquidator's remuneration was fixed at ₹ 2,000 plus 2% on sale of assets, plus 4% on the amount distributed to unsecured creditors.

Prepare the Liquidator's Final Statement of Account if the amounts were paid on 1st July 2024

Q3) The following are the Balance Sheets of H Ltd. and S Ltd. as on 31st March 2024. [20]

Liabilities	H Ltd. Amount	S Ltd. Amount	Assets	H Ltd. Amount	S Ltd. Amount
Share Capital :	5,00,000	2,00,000	Goodwill	30,000	10,000
Shares of ₹ 10 each			Machinery	3,66,000	1,36,000
General Reserve	75,000	--	Stock	90,000	45,000
Profit & Loss A/c	71,000	30,000	Debtors	1,47,500	61,500
Creditors	91,000	43,500	Cash	17,500	13,500
Bills Payable	10,000	--	Investments	96,000	--
			(12,000 shares of S Ltd. at cost)		
			Bills Receivable	--	7,500
	7,47,000	2,73,500		7,47,000	2,73,500

Additional Information :

- a) H Ltd. Acquired the shares of S Ltd. on 1st April 2023.
- b) The Profit and Loss A/c of S Ltd. Showed a debit balance of ₹ 10,000 on 1st April 2023.
- c) Included in the Stock of S Ltd. are goods of ₹ 10,000 which were supplied by H Ltd. at cost plus 25%.
- d) The Bills Payable in H Ltd. represented ₹ 7,500 included in favour of S Ltd.

Prepare Consolidated Balance Sheet and necessary working notes.

Q4) The Financial position of Jagdish Ltd. Jalgaon as on 31.03.2024 disclose the following position. [20]

Balance Sheet as on 31 March 2024

Liabilities	Amount	Assets	Amount
Share Capital		Property Plant and Equipment	
Issued, Subscribed and Called Up Capital:		Freehold Property	49,000
728 Eq. Sh. of ₹ 100 each fully	72,800	Workshop Plant	38,500
Called and paid up		Equipments	7,000
		Current Assets	
General Reserve	15,960	Stock in Trade	34,300
Revenue Profit	32,900	Book Debts	17,780
Current Liabilities		Cash	8,960
Trade Payable	12,810	Preliminary Expenses	5,460
Trade Creditors	18,760		
Expenses Payable	7,770		
Total	1,61,000	Total	1,61,000

Jagdish Ltd. was absorbed by Suraj Ltd., Shirpur on the following terms and conditions.

- a) Jagdish Ltd. paid expenses of liquidation amounting to ₹ 2,800.
- b) Suraj Ltd., agreed to take over all the assets and liabilities of Jagdish Ltd. at the book value except Freehold Property ₹ 52,500 Workshop Plant ₹ 36,400 and Stock-in- Trade ₹ 42,700.
- c) Jagdish Ltd. agreed to write off Preliminary Expenses completely against its unutilized Free Reserves.
- d) Suraj Ltd. discharged the purchase consideration by allotment of 840 shares of ₹ 100 each at 125 per share and the balance in cash.

You are required to prepare necessary ledger accounts in the books of Jagdish Ltd. and pass the acquisition entries in the books of Suraj Ltd.

