

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE (B.COM.)(NEW)
MAY – 2012 EXAMINATION
SECOND YEAR
Sub: Corporate Accounting (C- 212)

Date: 16/5/2012

Total marks: 80

Time: 2.00 pm to 5.00 pm

Instructions: 1) Figures to the right indicate full marks.
2) All questions are compulsory.

Q.1 a) Fill in the blanks. (Any Five) (05)

1. ----- profit are not available for distribution of dividend to the shareholder. (Revenue Profit, Capital Profit, Unrealised Profit)
2. ----- shareholder enjoys the priority over equity shareholder. (Preference shareholder, Debenture holder, equity share holders)
3. In ----- reconstruction company is not going into liquidation, only capital structure of existing company is reorganize. (Internal, External, Capital)
4. When an existing company takes over the business of another existing company then it is know as ----- . (Amalgamation, Absorption, Reconstruction)
5. Reconstruction is done when the company is ----- (Under Capitalized, Over Capitalized, Profitable)
6. Joint Stock Company is ----- person created by law. (Natural, Artificial, Duplicate)
7. Dividends are usually paid on ----- (Authorized capital, paid up capital, Issued capital)

b) True or False: (Any Five) (05)

- 1) Public limited company can invite the public to subscribe any number of shares.
- 2) Dividends are compulsory paid every year to equity shareholder.
- 3) Reserve refer to amounts set aside out of profits of the company.
- 4) AS – 1 deals in Disclosure of Accounting policies.
- 5) AS – 2 does not apply to “Inventory of livestock”.
- 6) Net Asset means total of Tangible Assets (-) Total of liabilities.
- 7) In case of Reconstruction a new company is formed to take over the business of an old company.

Q.2 a) XYZ Ltd. forfeited 1,500 equity shares of Rs. 10 each issued at a premium of Rs.5 per share for Non –payment of allotment money of Rs. 8 per share (including share premium Rs. 5 per share), the 1st call of Rs. 2 per share and the final call of Rs. 3 per share. Give the Journal entries for the forfeiture? (20)

OR

b) The share capital of a Co. consists of preference share of Rs. 10 each (preference as regards to dividend only.) An ordinary share of Rs. 10 each. A company went into Liquidation –

- i) 1000 preference shares on which Rs. 8 called up.
- ii) 1000 ordinary shares on which Rs. 9 called up. Out of these shares, 1 shareholder holding 100 shares has paid full amount of Rs. 10 per share.
- iii) 4,000 ordinary shares on which Rs. 7 called on, 150 this share the call of Rs. 3 has not received and it was in arrears Rs. 150 which is proved in recoverable.
- iv) Secured Creditors = 15,000
Preferences Creditors = Rs. 263
Unsecured Creditors = 25,000

The Liquidators remuneration on 2% asset realized and 2.5% on the amount pay to unsecured creditors excluding preference share creditors. All the asset were realized for Rs. 62,200 and liquidation amount to Rs. 3,000

You are required to prepare the Liquidators Final Statement A/c

Q.3 Rotta Engineers Ltd. acquires a business on 1st Jan 2010 it being incorporated on 1st May 2010. The first account are drawn up to 30th Sept. 2010. The Gross Profit is Rs. 56,000. The General expenses Rs. 14,220 Directors fees Rs. 12,000 p.a. Preliminary Expenses Rs. 1500, Rent upto 30th Sept. 2010 was Rs. 1200 p.a. after which it was increased to Rs. 3,000 p.a. Salary to manager, who upon incorporation of the company was made a Directors was Rs. 6,000 p.a. (Since incorporation the salary is included in the Directors fees above)
Show the Pre-incorporation and post – incorporation Profit assuming that the monthly average of sales for the first 4 months was half (1/2) of the monthly average of sales for the remaining period.

Q.4 a) Explain in detail AS – 2 valuation of Inventories. (10)

OR

b) Define share? What are the types of shares?

Q.5 A company went into Liquidation as on 31/12/1966. The Balance Sheet was as under- (20)

Balance Sheet

Liabilities	Amt.(Rs.)	Asset	Amt. (Rs.)
Authorized Capital (30,000 share X Rs.10)	<u>3,00,000</u>	Good will leasehold	50,000
Subscribed & paid – up 1,95,000 (19500 share X Rs.10)	1,95,000	Property	48,000
		Stock	56,800
Sundry Creditors:		Plant & Machinery	65,500
Preference Share	24,200	Debtors	64,820
Partly Secure	55,400	Cash	2,500
Unsecured	99,700	P & L A/c	98,680
Bank old unsecured	12,000		
Total	3,86,300	Total	3,86,300

1. Leasehold property was secured against partly secured creditors and sold for Rs. 35,000
2. Plant & Machinery 51,000; Stock = 39,000; Debtors = 58,000; Cash = 2,500
3. The Liquidation Expenses 1,000; Liquidation remuneration was agreed at 2.5% on asset realized including cash and 2% on the amount paid to unsecured creditors.

You are required to prepare the liquidators 'Final Statement A/c'
