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**RAN-2008000204050012****S. Y. B. Com. (Honors) (Sem. - IV) Examination April - 2023****Corporate Accounting - IV : Paper - II****Time: 2 Hours ]****[ Total Marks: 50****સૂચના : / Instructions**

- (1) નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.  
**Fill up strictly the details of signs on your answer book**
- Name of the Examination:  
☛ **S. Y. B. Com. (Honors) (Sem. - IV)**
- Name of the Subject :  
☛ **Corporate Accounting - IV : Paper - II**
- Subject Code No.: **2008000204050012**

Seat No.:

Student's Signature

- (2) All questions are compulsory.
- (3) Figures to the right indicate full marks of the questions.

**Q. 1 Answer the following questions. (10)**

1. Hanuman Ltd. Acquired 4,000 shares for Rs. 62,500 in Sagar Ltd. on 1-1-2022 when Sagar Ltd. had Rs. 12500 in Profit and Loss account. Following are the balances of Sagar Ltd. as on 31-12-2022 : (5)

Share Capital (Rs. 10 per share)	50,000
Profit and Loss account	20,000

Find Minority Interest and Goodwill / Capital reserve.

2. From the following information pass the journal entries with regard to capital reduction. There was contingent liability of Rs. 40,000 workmen compensation above contingent liability for which no provision had been made was settled at Rs. 28,000 however the amount of Rs. 25,200 was recovered from insurance company. (3)
3. Explain preferential creditors. (2)

- Q.2 (a)** Rahul Ltd. Went into voluntary liquidation on 31<sup>st</sup> Dec. 2020 when its balance sheet was as under: **(10)**

Particular	Rs.
<b>(I) Equity and Liabilities:</b>	
<b>1. Share holders funds:</b>	
(a) Share capital	
10% 15,000 pref. share of Rs. 100 each	15,00,000
10,000 equity share of Rs. 100 each fully paid	10,00,000
15,000 equity share of Rs. 100 each paid up to Rs. 60 each	9,00,000
(b) Reserve and surplus:	
<b>2. Non-current Liabilities:</b>	
(a) Long term debt	
15% debentures	20,00,000
<b>3. Current Liabilities:</b>	
(a) Trade debt:	
Creditors	60,00,000
Outstanding interest on debentures	1,50,000
<b>Total Rs.</b>	<b>1,15,50,000</b>
<b>(II) Assets:</b>	
<b>(1) Non-current Assets:</b>	
(a) Fixed Assets:	
Furniture	10,00,000
Buildings	50,00,000
Machinery	10,00,000
(b) Other non-current Assets:	
Non current investment	20,00,000
<b>(2) Current Assets:</b>	
(a) Materials	
Stock	20,00,000
(b) Trade Receivables:	
Debtors	
Bills receivable	
(c) Cash and cash equivalent:	
Cash -bank balance	5,50,000
<b>Total Rs.</b>	<b>1,15,50,000</b>

Additional particulars:

1. Debenture holders are paid on 30-4-20.
2. Creditors includes as under:
  - (i) Provident fund Rs. 1,00,000
  - (ii) Income tax for the assessment years ended on 31-3-19 and 31-3-20 is Rs. 1,50,000 and Rs. 1,00,000 respectively.
  - (iii) Bills for water and electricity Rs. 1,00,000.
  - (iv) Salary of 20 clerks for last two month at Rs. 50,000 pm.
  - (v) Mortgage loan on investments Rs. 8,00,000 and on furniture Rs. 2,50,000.

3.

<b>Assets realized</b>	<b>Rs.</b>
Investment	6,50,000
Furniture	7,00,000
Buildings	40,00,000
Machinery	3,00,000
Stock	5,00,000

4. Dissolution expenses are Rs. 50,750 liquidators remuneration is payable at 4% on amount of assets realized by him and 2% on amount paid to unsecured creditors excluding pref. creditors. All assets are sold out by liquidator.
5. Prepare liquidator's statement of receipt and payment.

- Q. 2. (b)** (i) Dividend of Rs. 50,000 on preference shares of the company is in arrears. In exchange, preference shareholders are to be paid Rs. 14,000 cash and 1,000 fully paid shares of Rs. 10 each. Give journal entries in connection with capital reduction. **(4)**
- (ii) The company converted its 10,000 equity shares of Rs. 10 each into shares of Re. 1 each and thereafter, the shareholders are asked to surrender 90% of their shares to the company. Pass journal entries.

Q. 3.

The following is the trial balance of Krishna co. Ltd. On 31-3-20.

(14)

Particulars	Debit Rs.	Credit Rs.
Equity share capital and calls in arrears	10,000	2,00,000
Securities Premium	-	16,500
Capital reserve	-	55,000
General reserve	-	90,000
Provident fund and P.F. contribution	2,500	13,000
5% debentures	-	50,000
Opening stock	33,300	-
Purchases -sales	1,06,500	2,60,000
Land and building	1,70,000	-
7.5% pref. share capital	-	1,00,000
Share forfeiture	-	4,500
Plant and machinery	1,15,000	-
Furniture	32,000	-
Investment	1,65,700	-
Preliminary expenses	6,000	-
Debtors -creditors	66,000	33,000
Productive wages	35,200	-
Debt. Redemption fund and its investment	20,000	20,000
Salaries	57,000	-
Rent, rates and taxes	20,000	-
Director's fees	3,500	-
Postage and telegrams	6,500	-
Cash bank and bank loan	10,800	25,400
Advertise expenses	28,000	-
Public deposits	-	14,600
Income from investments	-	9,500
Bad debts and reserve	-	3,000
Goodwill	12,000	-
Profit and loss account	-	5,500
	<b>9,00,000</b>	<b>9,00,000</b>

Prepare final accounts from following particulars of Krishan Co. Ltd.

1. Stock on 31-3-20 was Rs. 95,400.
2. Provide 5% reserve for bad debts on debtors.
3. Prepaid rent amounted to Rs. 2,000.
4. Provide depreciation on plant and machinery at 2% and on furniture at 5% and on land and building 4%.
5. Outstanding expenses: productive wages Rs. 2,500, salaries Rs. 3,000 and rent taxes Rs. 1,500.
6. Transfer Rs. 25,000 to general reserve.
7. The directors of the company recommended 7.5% dividend on pref. share and 10% dividend on equity share capital.
8. The authorised capital of the co. amount to Rs. 5,00,000.

**Q. 4. Write short note. (ANY TWO) (12)**

1. Provision of companies act about capital reduction.
  2. Capital profit and revenue profit.
  3. Vertical profit and loss account as per companies act 2013 with imaginary figures.
  4. Liquidator's remuneration and fully secured creditors.
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