



M.Com. (Semester – II) Examination, April 2016
COC 201 : CORPORATE ACCOUNTING (OA – 18)

Duration : 3 Hours

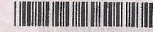
Max. Marks : 60

- Instructions :**
- This paper consists **nine** questions carrying **equal** marks.
 - Question No. 1 consists of **5 compulsory** questions of **2 marks each**.
 - Answer **any 5** questions from question **2, 3, 4, 5, 6, 7, 8 and 9**.
 - Each** question carries **10** marks. **Figures to the right** indicate marks.

- Answer the following questions in brief : (5×2=10)
 - What is Disserting Shareholders ?
 - Compare the Schedule III of Companies Act, 2013 with Schedule VI.
 - What do you mean by the term "Contributory" ? Describe the various types of contributories.
 - What do you mean by the term "Internal Reconstruction" ? How is Internal Reconstruction done ?
 - The asset of X Ltd. was purchased by Y Ltd. The purchase consideration as follows :
 - A cash payment of Rs. 90 per share for 6,000 shares of Rs. 500 each issued by X Ltd.
 - A cash payment of Rs. 550 for every debenture in X Ltd. in full discharge.
 - An exchange of four shares of Y Ltd. of Rs. 75 each (quoted in the market at Rs. 140) each for every share of X Ltd.
 - The expenses of liquidation amounting to Rs. 10,000 were met by Y Ltd.Calculate purchase consideration.
- The Ledger balances of P.V. Ltd. as on 31-03-12 are 10

Fixed Assets Rs. 35,00,000, Investments Rs. 60,000, Inventories and Trade receivables Rs. 42,50,000, Share issues expenses Rs. 1,00,000, Equity shares capital (60% paid) Rs. 30,00,000, 8% first debentures Rs. 10,00,000, 10% second debentures Rs. 25,00,000, Banks overdraft Rs. 3,00,000, Trade payables (including Mr. S.K. for Rs. 42,50,000) Rs. 57,50,000, Outstanding interests for one year on both types of Debentures Rs. 3,30,000. Due to heavy losses, the following scheme of reconstruction is agreed :

 - To make the existing Rs. 250 Equity share fully paid up and then to reduce them Rs. 50 each.
 - To settle the claims of first debentures-holders by issuing 2000, 10% debentures of Rs. 500 each.



- 3) To pay Rs. 15,00,000 to Mr. S.K. in full settlement of his account.
- 4) To discharge the claims of second debentures-holder by issuing 4000, 12% debentures of Rs. 500 each.
- 5) To allot 30000 equity shares of Rs. 50 each to discharge the remaining trade payables.
- 6) Market value of investments is Rs. 1,00,000.
- 7) To write off the Fictitious Assets and to reduce the Fixed assets.

Assuming all the requisite formalities have been complied with, make the Journal entries to give effect to the above scheme and prepare the Reconstructed Balance Sheet.

3. From the following Trial Balance of Dhanu Ltd. prepare Profit and Loss Appropriation Account and Balance Sheet after making the following adjustments.

Transfer Rs. 1,00,000 to Reserve Fund, Rs. 50,000 to Employees Provident Fund and Rs. 50,000 to Insurance Fund from the profit of the years. 10

Particulars	Dr.	Particulars	Cr.
Land and building	5,00,000	P & L Appropriation A/c	70,000
Machinery	4,00,000	P & L A/c (current)	3,10,000
Interim dividend	60,000	Share capital	10,00,000
Stock	3,40,000	Creditors	1,00,000
Debtors	2,50,000	Reserve fund	1,70,000
Cash	1,50,000	Employees Provident fund	80,000
Calls in arrears	1,00,000	Insurance fund	40,000
		Securities premium	10,000
		Forfeited shares	20,000
	18,00,000		18,00,000

4. X Co. Ltd., agreed to acquire the assets excluding cash as at 31st March 2012 of Y Co. Ltd. The Balance of Y Ltd. as at that date was : 10

Particulars	Note no.	Amount
I Equity and Liabilities		
Shareholder's fund		
Share capital		
Equity capital (shares of Rs. 10 each)		3,00,000
General reserve		55,000
Investment allowance reserve		25,000
Profit and loss		60,000
Non Current Liabilities		
8% Debentures		50,000
Current liabilities		
Trade payable		10,000
		5,00,000

II Assets

Non-current Assets

Land and Building	1,20,000
Machinery	2,00,000
Goodwill	60,000

Current Assets

Inventories	80,000
Trade receivable	26,000
Bank	14,000
	5,00,000

The consideration was as follows :

- a) A cash payment of Rs. 4 for every share of Y Ltd.
- b) The issue of one share of Rs. 10 (Market value Rs. 12.50) in the X Co. Ltd., for every share in Y Co. Ltd.
- c) The issue of 9% 1,100 Debentures of Rs. 50 each by X Co. Ltd., to discharge the Debentures of Y Ltd. at a premium of 10%.
- d) The expenses of liquidation of Y Ltd. amounting to Rs. 4,000 were to be met by themselves.

Give the Journal entries in the books of both the companies and prepare the necessary Ledger Accounts in the books of Y Ltd.

5. The following are the Balance Sheet of H Ltd. and S Ltd. as at 31st March 2012 : 10

Particulars	Note no.	Amount	
		H Ltd.	S Ltd.
I Equity and Liabilities			
Shareholder's funds			
Share capital	1	5,00,000	2,00,000
Reserve and surplus	2	1,60,000	79,000
Current liabilities			
Trade payables		80,000	60,000
		7,40,000	3,39,000
II Assets			
Fixed assets		3,00,000	1,00,000
Non-current Investment	3	1,62,400	
Current assets		2,77,600	2,39,000
		7,40,000	3,39,000

**Notes :**

	H Ltd.	S Ltd.
1. Share Capital		
Issued, Subscribed and Paid up		
Equity share of Rs. 10 each fully paid up	5,00,000	2,00,000
2. Reserve and Surplus		
General reserve		
H Ltd.	1,00,000	
S Ltd.	50,000	
Less : Preliminary expenses (6,000)		44,000
Surplus i.e. credit balance of profit and loss A/c	60,000	35,000
	<u>1,60,000</u>	<u>79,000</u>

3. Non-current investments :

60% Equity shares in S Ltd. at cost 1,62,400

H Ltd. acquired the shares on 1st April 2011 on which date general Reserve and Profit and Loss account of S Ltd. showed balances of Rs. 40,000 and Rs. 8,000 respectively. No part of Preliminary Expenses was written off during the year ending 31st March 2012.

Prepare Consolidated Balance Sheet of H Ltd. and S Ltd. as at 31st March 2012.

6. The following particulars relate to a limited company which has gone into voluntary liquidation. You are required to prepare the liquidator's final account allowing for his remuneration @ 2% on the amount realized on assets and 2% on amount distributed to unsecured creditor other than Preferential creditors.

Rs.

Unsecured creditor	2,24,000
Preferential creditor	70,000
Debentures	75,000

The assets realized the following sums :

Cash in hand	20,000
Land and building	1,30,000
Plant and machinery	1,10,500
Fixtures and fittings	7,500

The liquidation expenses amount to Rs. 2,000. A call of Rs. 2 per share on the partly paid 10,000 Equity shares was made and duly paid except in case of one shareholder owing 500 shares.

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| 7. a) Explain creating the company under Tally ERP 9. | 5 |
| b) Explain the various advantages Tally over manual Accounting. | 5 |
| 8. a) Explain the various methods of Purchase Consideration. | 5 |
| b) Explain the limitation of Financial statement. | 5 |
| 9. a) Explain the various factor responsible for variation in accounting practices in different countries. | 5 |
| b) Explain the importance of Accounting Standards in harmonizing the uniform Accounting practices. | 5 |