

**G.V.M's G.G.P.R. COLLEGE OF COMMERCE AND ECONOMICS
PONDA-GOA
B.COM. CBCS (SEMESTER--VI) REPEAT EXAMINATION, NOVEMBER 2022
Corporate Accounting and Tax Planning (DSE – 7B)**

Duration: 2 Hours

Total Marks: 80

Instructions: 1) Question No. 1 is compulsory.

2) Answer any three questions from Q. N. 2 to Q. No. 6.

3) All questions carry equal marks.

4) Give working notes wherever necessary.

Q. 1) P Ltd. acquired 15, 000 shares in R Ltd. on 1st January, 2021. The balance sheets of both the companies on 31st December,2021 were as follows;

Balance Sheets of P Ltd. and R Ltd. as on 31st December, 2021

Paticulars	Note No	P Ltd.	R Ltd.
1) Equity and Liabilities			
i) Shareholders funds			
a) Share capital	1	9, 00, 000	2, 50, 000
b) Reserves & surplus	2	2, 40, 000	65, 000
ii) Current Liabilities			
a) Trade payables	3	90, 000	50, 000
Total		12, 30, 000	3, 65, 000
2) Assets			
i) Non-current assets			
a) Tangible assets		8, 00, 000	2, 20, 000
ii) Non-current investments		1, 55, 000	-----
iii) Current assets			
a)Inventories		1, 00, 000	50, 000
b) Trade receivables	4	85, 000	55, 000
c) Cash & cash equivalent		90, 000	40, 000
Total		12, 30, 000	3, 65, 000

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Notes

Particulars	P Ltd.	R Ltd
1) Share capital		
Fully paid shares of Rs. 10 each.	9, 00, 000	2, 50, 000
2) Reserves & Surplus		
General Reserve	1, 60, 000	40, 000
Surplus i. e. credit balance	80, 000	25, 000
Total	2, 40, 000	65, 000
3) Trade Payables		
Sundry Creditors	50, 000	30, 000
Bills Payables	40, 000	20, 000
Total	90, 000	50, 000
4) Trade Receivable		
Sundry Debtors	60, 000	35, 000
Bills Receivables	25, 000	20, 000
Total	85, 000	55, 000

Additional information

- 1) General reserve appearing in the balance sheet of R Ltd. has remained unchanged Since 31December 2020.
- 2) Profit earned by R Ltd. for the year ended 31st December, 2021 is Rs. 20, 000.
- 3) P Ltd. sold goods costing Rs. 8, 000 for Rs. 10, 000 on 1October 2021. 25% of these goods remained unsold with R Ltd On 31 December 2021. Creditors of R Ltd Include Rs.4, 000 due to P Ltd. because of these goods.
- 4) Out of R Ltd.'s acceptances, Rs. 15, 000 are those which have been accepted In favour of P Ltd. Out of these, P Ltd. endorsed the bill worth Rs. 8, 000 In favour of its creditors by 31 December 2021.

(20)

Q.2) Cylon Ltd. was incorporated on 1st May, 2022 to acquire the business of Nylon Ltd. as on 1 January 2022. The company closes its final accounts on 30th September 2022. The gross profit for the period was Rs. 1, 68, , 000. The Particulars of other expenses are as follows;

Particulars	Rs.
Auditor's remuneration	800
Travelling expenses	1,400
Commission on sales	4,200
Depreciation on plant	3,600
Printing and stationery	1,800
Sundry expenses	16,200
Director's fees	48,000
Formation expenses	8,000

The rent up to 30 th April was Rs. 7, 200 p. a. after which it was increased by 20%. The company earned a uniform gross profit. The sales from January to April, 2022 and May to September, 2022 were Rs. 37, 200 and Rs. 1, 86, 000 respectively. Prepare a statement of profit made before and after incorporation.

(20)

Q. 3) Rajat Ltd has its share capital divided in to equity shares of Rs. 10 each.

It granted 4, 000 employee stock options at Rs. 160 each on 1st April, 2018.

The market price of the share is Rs. 320. The vesting period is 2 ½ years and the maximum exercise period is one year. 1, 600 unvested options lapse on 31st May, 2019. 2, 400 options are exercised by employees between 1st June and 1st July, 2020. 400 vested stock options lapse at the end of the exercise period. The company closes its books of account on 31st March every year.

Pass Journal Entries in the books of Rajat Ltd. with suitable narrations.

(20)

Q. 4) a) Distinguish between Accounting Standard – 21 and Indian ACCOUNTING Standard -110.

(10)

b) H Ltd. purchased shares in S Ltd. on 1st April 2021. On the date of purchase, the general reserve and profit and loss a/c of S Ltd. showed balances of Rs. 40, 000 and Rs.8, 000 respectively. No part of the preliminary expenses of Rs. 6, 000 was written off during the year ended 31st March, 2022. Calculate the Goodwill and Minority

interest from the extracts of the information from the books of account of H Ltd. and S Ltd.

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