



Third Semester B.Com. Degree Examination, Nov./Dec. 2016
COMMERCE
Paper – 3 : Corporate Accounting – I
(New Scheme)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any ten** questions :

(10×2=20)

1. Mention the names of financial statements of Co.
2. State any two non-current and current liabilities.
3. Give the meaning of the term Amalgamation.
4. What is purchase consideration ?
5. What is a holding Co. and a subsidiary company ?
6. What is wholly owned subsidiary company ?
7. Who is a liquidator ?
8. Give four examples of preferential creditors.
9. What are extraordinary items ?
10. What is profit prior to incorporation ?
11. Give any four expenses allocated on sales ratio.
12. What is the liquidator's Statement of Account ?

P.T.O.



SECTION – B

Answer **any three** questions :

(3×5=15)

13. Give the format of equity and liabilities of a Balance Sheet by using imaginary figures.
14. A Ltd. agrees to take over the business of B Ltd. and agreed to give 10000 12% Preference shares of Rs. 100 each fully paid up and to issue 20000 Equity shares of Rs. 100 each at 10% premium with cash Rs. 2 per Equity share.

Compute Purchase Consideration.

15. The Malya Ltd. went into voluntary liquidation on 31-3-2016 when its liabilities were as under.

Secured Creditors	20,000
Preferential Creditors	4,000
Unsecured Creditors	50,000

The liquidator realised Rs. 25,000 from the securities held by secured creditors and Rs. 6,000 from other assets. Cash in hand Rs. 1,100.

The cost of liquidation amounted to Rs. 1,990 and the liquidator's remuneration was fixed at 3% on the amount of assets realised and 2% on unsecured creditors.

Prepare Liquidator's Final Statement of Account.

16. A Co. Ltd. was incorporated on 1-8-2015 to take over the business of B Co. Ltd. as a going concern as from 1-4-2015. <https://www.vskub.com>

The average monthly sales for the first 4 months during the year was Rs. 60,000 where as the average monthly sales for the subsequent period was Rs. 70,000. Calculate Time Ratio and Sales Ratio and give working note.

17. Prepare the chart showing minority interest in subsidiary company by using imaginary figures.



SECTION – C

Answer **any three** questions :

(3×15=45)

18. From the following information, prepare the Statement of Profit and Loss of 'X' Co. Ltd. for the year ending 31-3-2015 in the prescribed form along with relevant notes to accounts.

Names of Account	Dr.	Cr.
Sale of goods	–	20,00,000
Sale of service	–	1,50,000
Other operating income	–	50,000
Excise duty	2,00,000	–
Interest income	–	15,000
Dividend income	–	5,000
Other non-operative income	–	3,000
Miscellaneous Income	–	2,000
Opening stock of Raw-materials	1,00,000	–
Purchase of raw-materials	9,50,000	–
Purchase of stock in trade	3,20,000	–
Returns of stock in trade	–	20,000
(1-4-2014) Opening stock of finished goods	90,000	–
Opening stock of work in progress (1-4-2014)	25,000	–
Opening stock of stock in trade (1-4-2014)	30,000	–
Salaries and Wages	2,00,000	–
Contribution to Provident Fund	15,000	–
Staff welfare expenses	5,000	–
Interest expenses	12,000	–
Other borrowing cost	3,000	–
Power and Fuel	10,000	–
Audit fee	30,000	–
Current tax expenses of current year	10,000	–



Adjustments :

- 1) Provide depreciation of Rs. 30,000 on the fixed assets.
 - 2) Closing stock on 31-3-2015
 - i) Finished goods : 1,00,000
 - ii) Work-in-progress : 30,000
 - iii) Stock in trade : 20,000
 - iv) Closing stock of Raw material : 1,50,000.
19. P Ltd. absorbs S Ltd. for a consideration of Rs. 20,00,000 to be satisfied in fully paid shares of Rs. 10 each. The Balance Sheet of both companies on 31-3-2016 were as under.

Particulars	Note No.	P Ltd.	S Ltd.
I) Equity and Liabilities :			
1) Share holders fund			
Share Capital	1	20,00,000	15,00,000
Reserves and Surplus	2	18,00,000	7,00,000
2) Current Liabilities			
Trade payable		10,00,000	10,00,000
Total Equity and Liability		48,00,000	32,00,000
II) Assets			
1) Non-current Assets			
Fixed assets			
Tangible assets	3	36,00,000	25,00,000
2) Current Assets :			
Inventories : Stock		5,00,000	3,00,000
Trade receivables	4	5,00,000	3,00,000
Cash and Cash Equivalents Bank		2,00,000	1,00,000
Total assets		48,00,000	32,00,000



Notes to Balance Sheet

	P Ltd.	S Ltd.
Note 1 : Share Capital		
Equity Shares of Rs. 10 each	<u>20,00,000</u>	<u>15,00,000</u>
Note 2 : Reserves and Surplus		
General Reserve	8,00,000	1,50,000
Development Rebate Reserve	1,00,000	50,000
Export Project Reserve	3,00,000	2,00,000
Surplus : As per P and L A/c	6,00,000	3,00,000
	18,00,000	7,00,000
Note 3 : Tangible Assets		
Premises	20,00,000	14,00,000
Plant and Machinery	13,00,000	10,00,000
Furniture	3,00,000	1,00,000
	36,00,000	25,00,000
Note 4 : Trade payables		
Sundry Debtors	3,00,000	2,00,000
Bills Receivable	2,00,000	1,00,000
	5,00,000	3,00,000

Adjustments :

Development Reserve and Export Project Reserve are required to be continued.

Prepare :

- Ledger Accounts in the books of S Ltd.
- Balance Sheet after amalgamation in the books of P Ltd.



20. Sudha Co. Ltd. was incorporated on 1-5-2015. It acquired a running business as from 1-1-2015. The sales upto 1-5-2015 were Rs. 2,00,000 and from 1-5-2015 onwards Rs 8,00,000. The Statement of Profit and Loss for the year ending 31-12-2015 were as follows :

Particulars	Note	Amount	Total
Continuing operations			
1) Revenue from operation (sales)	1	–	10,00,000
2) Other income	2	–	–
Total Revenue			10,00,000
3) Expenses			
a) Cost of sales	3	–	8,00,000
b) Employees benefit cost	4		
Salaries		40,000	–
Directors fee		<u>4,000</u>	44,000
c) Finance cost	5		
Interest on debentures		6,000	–
Interest to vendors (up to 30-6-15)		<u>10,000</u>	16,000
d) Depreciation and Amortisation	6		
Depreciation		–	20,000
e) Other expenses	7		
General expenses		10,000	–
Carriage outwards		15,000	–
Advertisement		20,000	–
Audit fee		<u>5,000</u>	<u>50,000</u>
Total expenses			9,30,000
Profit			<u>70,000</u>
			10,00,000

Redraft the Statement of Profit and Loss to show the profit prior to incorporation and after incorporation.

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21. On 1-10-2015 Rama Ltd. bought 7000 shares of Rs. 10 each fully paid in Laxmana Ltd. at Rs. 20 per share. The following were their statement of assets and liabilities.

Particulars	Note	Rama Ltd.	Laxmana Ltd.
I) Equity and Liabilities :			
1) Shareholders Funds			
Share Capital	1	3,00,000	80,000
Reserves and Surplus	2	2,00,000	69,000
2) Non-current liabilities :			
Long term borrowings	3	10,000	5,000
3) Current liabilities : Trade payable			
	4	75,000	46,000
		5,85,000	2,00,000
II) Assets : Non-current Assets			
Tangible fixed assets			
Investments	6	1,40,000	-
Current assets			
Inventories	7	90,000	1,20,000
Trade receivables	8	80,000	30,000
		5,85,000	2,00,000

Note to Accounts

Rama Ltd.

Laxmana Ltd.

Note 1 : Share Capital : Shares of Rs. 10

 each fully paid

3,00,000

80,000

Note 2 : Reserves and Surplus : General Res.

 (on 1-4-15)

60,000

25,000

 Profit and Loss credit balance (on 1-4-15)

45,000

10,000

 Profit for the year (2015-16)

95,000

34,000

Total

2,00,000

69,000

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Note 3 : Long term borrowings		
Secured loans	10,000	-
Unsecured loans	-	5,000
Total	<u>10,000</u>	<u>5,000</u>
Note 4 : Trade payables : Creditors	75,000	46,000
Note 5 : Tangible Fixed assets		
Buildings	2,00,000	50,000
Machinery	75,000	-
Total	<u>2,75,000</u>	<u>50,000</u>
Note 6 : Non-current Investments :		
7000 shares in Laxmi Ltd.	1,40,000	-
Note 7 : Inventories : Stock	90,000	1,20,000
Note 8 : Trade Receivables : Debtors	80,000	30,000

Debtors of Rama Ltd. included Rs. 10,000 due from Laxmana Ltd. Prepare the consolidated Statement of Assets and Liabilities as on 31-3-2016 and also show the relevant notes.

22. The Badluck Ltd. went into voluntary liquidation on 31-12-2015 on which date dividend on Preference shares was in arrears for one year. The capital of the company consisted of
- 1000 8% Preference shares of Rs. 10 each fully paid.
 - 1000 Equity shares of Rs. 10 each Rs. 8 paid.
 - 2000 Equity shares of Rs. 10 each Rs. 7 paid.

The assets realised Rs. 13,000. The expenses of liquidation came to Rs. 400. The liquidator is entitled to a fixed remuneration of Rs. 1,200 in all. The unsecured creditors were Rs. 5,600 including Rs. 600 preferential creditors.

The Preference share holders have priority over Equity share holders with regard to payment of capital and dividend as provided in the articles.

Prepare the Liquidator's Final Statement of Account assuming that he made the necessary calls which are duly received for payment to Preference share holders. Show working note.