



A-2688

Second Year B. Com. (Honours) (Sem. III) Examination
March/April – 2015
Corporate Accounting - II

Time : Hours]

[Total Marks : 50

Instructions :

नीचे दशांशों में निशानीवाणी विगतो उत्तरवही पर अवश्य लाजवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
← S. Y. B. Com. (Honours) (Sem. 3)	<input type="text"/>
Name of the Subject :	<input type="text"/>
← Corporate Accounting - 2	<input type="text"/>
← Subject Code No. : <input type="text"/> 2 <input type="text"/> 6 <input type="text"/> 8 <input type="text"/> 8 ← Section No. (1, 2,.....): <input type="text"/> NIL	<input type="text"/>
	Student's Signature

- 1 (a) Jeet Ltd. issued 10,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share. The amount payable as Rs. 2 on application. Rs. 5 on allotment (including premium) and the rest on first and final call; applications were received for 12,000 shares. Excess application money were refunded to applicants. All moneys due were received except first and final call moneys on 1,000 shares. Show the cash book entries in the books of Jeet Ltd. 2
- (b) Krisha Ltd. had 9,000, 10% redeemable preference shares of Rs. 10 each, fully paid up. The company decides to reedeem these preference shares at par by the issue of sufficient number of equity shares of Rs. 10 each fully paid up at a discount of 10%. 2
- Pass necessary journal entries including cash transactions in the books of the company.
- (c) From the following information calculate value of Goodwill. 2
- (1) Average capital employed Rs. 12,00,000
- (2) Company declares 15% dividend on shares of Rs. 20 each fully paid, which is quoted in the market at Rs. 25.

(3) Net profit (trading) of the firm (after tax) for the past 3 years : Rs. 2,15,200, Rs. 1,81,400, Rs. 2,25,000.

Compute the value of goodwill on the basis of 5 years purchase of super profits of the business calculated on the average profit of the last 3 years.

- (d) Explain yield valuation method. 2
 (e) Explain Net Asset method. 2

2 Yutika Ltd. issued on 1st January, 2008 debentures of the face value of Rs. 7,500 at par, repayable at par at the end of five years. In terms of trust deed, a sinking fund was to be created for the purpose of accumulating sufficient funds. Investments were made yielding 5% interest received at the end of each year. All investments, including re-investment of interest received, were made at the end of the year. You are required to show for 5 years, 1) Sinking Fund Account and 2) Sinking Fund Investment Account. **13**
 Note :- Rs. 2,71,462 invested at the end of each year at 5 percent compound interest will amount to Rs. 15 at the end of 5 years.

3 Exe Limited was wound up on 31-3-14 and its balance sheet as on that date is given below : **13**

Liabilities	Amt (Rs.)	Assets	Amt (Rs.)
<u>Share capital</u>		<u>Fixed assets</u>	9,64,000
1,20,000 Eq. Sh. of Rs. 10 each	12,00,000	<u>Current assets</u>	
<u>Reserve & Surplus :</u>		Stock	7,75,000
Profit prior to incorporation	42,000	Sundry debtors	1,60,000
Contingency reserve	2,70,000	Less. Prov. for B.D.R.	8,000
Profit & Loss Account	2,52,000	Bills receivables	30,000
<u>Current Liabilities</u>		Cash at bank	3,29,000
Bills payable	40,000		
Sundry creditors	2,26,000		
<u>Provisions</u>			
Provisions for Income tax	2,20,000		
	22,50,000		22,50,000

Wye Ltd. took over the following assets at value shown as under :

Fixed Assets Rs. 12,80,000, Stock Rs. 77,000 and bills receivables Rs. 30,000.

Purchase consideration was settled by Wye Ltd. as under :- Rs. 5,10,000 of the consideration was satisfied by the allotment of fully paid 10% preference shares of Rs. 100 each. The

balance was settled by issuing equity shares of Rs. 10 each of Rs. 8 per share paid up.

Sundry debtors realised Rs. 1,50,000, Bills payable was settled for Rs. 38,000.

Income tax authority fixed the taxation liability at Rs. 2,22,000.

Creditors were finally settled with the cash remaining after meeting liquidation expenses amounting to Rs. 8,000. You are required to

- (1) Calculate amount of purchases consideration
- (2) Prepare Realisation Account, Cash/Bank A/c., Equity Share Holders Account and Wye Ltd. A/c. in the books of Exe Ltd.

- 4 Write short notes : (any two) 14
- (1) Types of Amalgamation
 - (2) Discuss the logic behind the creation of capital redemption reserve
 - (3) Insurance policy method of redeeming debentures
 - (4) State the purpose for which securities premium can be utilised.
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