



AC-2720

**Second Year B. Com. (Sem. IV) (Honours)
Examination**

March/April – 2015

Corporate Accounting : Paper - IV

Time : 2 Hours]

[Total Marks : 50

Instructions : (1)

नीचे दर्शायेव निशानीवाणी विगतो उत्तरवही पर अवश्य बपवी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
SECOND YEAR B. COM. (SEM. 4) (HONOURS)	<input type="text"/>
Name of the Subject :	<input type="text"/>
CORPORATE ACCOUNTING : PAPER - IV	<input type="text"/>
Subject Code No. : <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="0"/>	<input type="text"/>
Section No. (1, 2,.....) : Nil	<input type="text"/>
	Student's Signature

- (2) Necessary calculations will be treated as part of the answer.
(3) Figures to right indicate full marks of questions.

- 1 Answer the following: 10
- (i) Give the meaning of Holding company. 2
- (ii) Following are the extracts from the Balance-sheet 3
of a company as on 31st December 2013 and 31st
December, 2014. You are required to calculate funds
from operations :

	As on 31 st 2013	December 2014
Profit and Loss Appropriationale	30,000	40,000
General Reserve	20,000	25,000
Good-Will	10,000	5,000
Preliminary Expenses	6,000	4,000
Provision for depreciation	10,000	12,000

(iii) The balance-sheet of A Ltd. as at 31-3-12 was as 5
under :

Liabilities	Rs.	Assets	Rs.
Share capital:	-	Land and Buildings	30,000
(Authorised and Issued)	-	Plant and Machinery	3,50,000
10,000 Pref.shares of Rs.10 each	1,00,000	Vehicles	20,000
20,000 Eq. shares of Rs.10 each	2,00,000	Furnitures	2,000
General Reserve	10,000	Stock	20,000
Profit and Loss Account	5,000	Investments	15,000
Mortgage Debentures	1,20,000	Debtors	12,000
Creditors	15,000	Bank-Balance	1,000
	4,50,000		4,50,000

A scheme for the reduction of capital, approved by the court was adopted by which Rs. 4 per share was be written off the preference shares and Rs. 6 per share off the Eq.shares. The scheme provided for the under mentioned reduction in the Assets :

- (a) Land and Building by 10,000
- (b) Plant and Machinery 1,50,000
- (c) Vehicles Rs. 4,000
- (d) Investments Rs. 8,000

And that the General Reserve should be extinguished and the difference be transferred from Profit and Loss A/c.

Pass necessary journal entries.

- 2 (a) The following are the summarised balance-sheets of a 7
company as on 31st March - 2014 and 31st March-2015.

Liabilities	31-3-14	31-3-15	Assets	31-3-14	31-3-15
	Rs.	Rs.		Rs.	Rs.
Share Capital	9,00,000	9,00,000	Plant and Machinery	8,00,000	6,40,000
General Reserve	6,00,000	6,20,000	Investments	1,00,000	1,20,000
P and L A/c	1,12,000	1,36,000	Inventory	4,80,000	4,20,000
Creditors	3,36,000	2,68,000	Debtors	4,20,000	9,10,000
Provision for taxation	1,50,000	20,000	Cash at Bank	2,98,000	3,94,000
Mortgage Loan	-	5,40,000	-	-	-
	20,98,000	24,84,000		20,98,000	24,84,000

Additional Information :

- (1) Investments costing Rs. 16,000 were sold during the year for Rs. 17,000.
- (2) Provision for taxation made during the year was Rs. 18,000
- (3) During the year, a part of Plant and Machinery costing Rs. 20,000 was sold for Rs. 24,000, the profit was included in Profit and Loss A/c.
- (4) Dividend paid during the year amounted to Rs. 88,160 you are required to prepare cash flow statement as per accounting standard-3.

- (b) The following are the Balance-sheet of B Ltd. 6
and its subsidiary C Ltd. as on 31st December-2014.

Balance-sheet as on 31st December 2014.

Liabilities	B Ltd	C Ltd	Assets	B Ltd	C Ltd
Share Capital in	-	-	Buildings	4,000	-
Re. 1 each-	10,000	8,000	Plant	1,000	6,000
Reserve	4,000	3,000	Stock	4,000	6,000
Bills Payable	2,000	1,000	Shares in C Ltd	6,000	-
Creditors	5,000	4,000	Debtors	5,000	3,000
P and L A/c	4,000	2,000	Bills Receivable	3,000	2,000
			Cash	2,000	1,000
	25,000	18,000		25,000	18,000

Debtors of B Ltd include Rs. 2,000 due from C Ltd. and bills payable of B Ltd included a bill of Rs. 500 accepted in favour of C Ltd. A Loan of Rs. 1,000 given by B Ltd to C Ltd was also included in the items of debtors and creditors respectively. Rs. 500 was transferred by C Ltd from P and L A/c to Reserve out of current year's profit. Shares were purchased on 30th June at par.

Calculate :

Analysis of profit

Cost of Control

Minority interest

Net balance of Debtors and Bills Payable.

- 3 You are required to prepare profit and Loss A/c for the year ending 31-3-14 and a B/S as on date day from the following balances taken out from Books of PK Ltd as on 31-3-2014 :

	Rs.		Rs.
6% Debentures (Redeemable on-31-3-23)	45,000	Share Transfer fees	60
Commercial Bank Ltd.		Debenture Redemption Fund	37,500
Cash-credit A/c (Credit Balance)	450	Interest on A'bad muni.cor.	
Securities Premium	2,200	Debentures	450
Capital reserve	4,940	Interest on Deb.Redemption	
Dena Bank Ltd.	2,660	Fund Investments	1,200
6% A'bad. Muni. Loan (1-10-2013)	15,000	Debenture Redemption Fund investments	37,500
Bad Debts- Reserve	1,500	Stationary Stock (31-3-2007)	90
Sales	1,46,820	Creditors For Goods Supplied	30,050
P & L A/c (Previous year Credit.Bal.)	1,440	Depreciation-Machinery	8,250
Depreciation Fund (31-3-14)	30,360	Loose Tools	210
Bills Payable	1,400	Debtors	37,500
Unclaimed Dividend	250	Machinery	1,56,400
Directors Fees	300	Office Expenses	4,980
Insurance	450	Stores	420
Stationery, Postage.etc.	330	Depreciation-Building	2,250
Bad Debts.	510	Paid up Share Capital	1,87,500
Debenture Interest	1,350	Building	90,060
Dis.on Issue of Debentures	750	Productive Wages	14,400
Rent	1230	Purchases	1,01,850
		Stock (31-3-2013)	14,630

Please consider following at the time of preparing final Account:

- (1) Insurance Premium amounting to Rs. 300 is paid for the year ending on 30-6-2014.
- (2) Provide Rs. 1,500 for Debenture Redemption Fund.
- (3) Increase Bad Debt Reserve by Rs. 375
- (4) Authorised capital consists of 11,250 share of Rs. 20 each.
- (5) Closing Stock Rs. 37,200. This includes defective stock which requires estimated repairing charges of Rs. 1,275.

4 Write short notes : (any three) 14

- (1) Cost of control.
 - (2) Capital profit and Revenue Profits.
 - (3) Minority Interest.
 - (4) Difference between cash flow statement and fund flow statement.
 - (5) Provision of Companies Act relating to capital Reduction.
 - (6) Contingent liabilities.
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