



**DF-2688**

**Second Year B. Com. (Honours) (Sem. III) Examination**  
**March / April - 2016**  
**Corporate Accounting - II**

Time : Hours]

[Total Marks : 50

**Instruction :**

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"/>
<input type="text" value="S. Y. B. Com. (Honours) (Sem. 3)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="Corporate Accounting - 2"/>	<input type="text"/>
Subject Code No. : <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="8"/>	<input type="text" value="Student's Signature"/>
Section No. (1, 2,.....) : <input type="text" value="NIL"/>	

- 1 (a) Jeet Ltd issued 10000 shares of Rs. 10 each at a discount of 10% payable as: On application Rs. 2; On allotment Rs. 4 and on Final call Rs. 3. All shares offered were subscribed for and money duly received. Pass entries in the Journal of the company. 12
- (b) Kriday Construction Company Ltd. had 5000 Redeemable Preference Shares of Rs. 100 each, fully paid up. The company decided to redeem these preference shares at par by the issue of sufficient number of equity shares of Rs. 10 each fully paid up at par. You are required to pass necessary Journal Entries including cash transactions in the books of the company.
- (c) From the following information calculate the value of goodwill :
- Average capital employed Rs. 1200000
  - Company declares 15% dividend on the shares of Rs. 20 each fully paid, which is quoted in the market at Rs. 25.
  - Net trading profit of the firm (after tax) for the past 3 years; Rs. 215200, Rs. 181400, Rs. 225000.

You are required to 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 three years.

(d) From the following information, calculate the value of an equity share :

(i) The paid-up share capital of a company consists of 1000, 15% preference shares of Rs. 100 each and 20000 equity shares of 10 each.

(ii) The average annual profits of the company, after providing for depreciation and taxation amounted to Rs. 75000. It is considered necessary to transfer Rs. 10000 to General Reserve before declaring any dividend.

(iii) The normal return expected by investors on equity shares from the type of business carried on by the company is 10%.

**2** Avi Ltd. had 12% debentures of Rs. 300000 outstanding **13**  
in its books as on 1.4.2014. It also had a balance of Rs. 120000 in Sinking Fund Account represented by 10% investments (face value Rs. 150000). On 31.12.2014 it sold investment of the face value of Rs. 30000 @ Rs. 90 cum-interest and with the proceeds purchased own debentures of the face value of Rs. 30000 for immediate cancellation.

The interest dates for both debentures and investments were 30<sup>th</sup> September and 31<sup>st</sup> March. Annual appropriation to Sinking Fund came to Rs. 31,000.

Prepare necessary Ledger Accounts for the year ended 31.3.2015.

**3** Yukta Ltd. and Nidhi Ltd. decided to amalgamate on **13**  
31.3.2014, for which Yukta Ltd. takes over the business of Nidhi Ltd. Their balance sheets on that date were as follows :

**Balance Sheets as on 31.3.2014**

<b>Liabilities</b>	<b>Yukta Ltd. Rs.</b>	<b>Nidhi Ltd. Rs.</b>	<b>Assets</b>	<b>Yukta Ltd. Rs.</b>	<b>Nidhi Ltd. Rs.</b>
Equity shares of Rs. 10 each	1000000	600000	Land and Building	500000	310000
12% Pref. shares of Rs. 10 each	440000	340000	Plant and Machinery	650000	340000
General Reserve	100000	50000	Furniture	115000	70000
Export Profit Reserve	60000	40000	Investments	140000	100000
Investment Allowance Reserve	-	20000	Stocks	250000	190000
Profit and Loss A/c.	150000	100000	Debtors	180000	206000
14% Debentures of Rs. 100 each	100000	70000	Cash and Bank	145000	104000
Creditors	90000	70000			
Other Current Liabilities	40000	30000			
	<b>1980000</b>	<b>1320000</b>		<b>1980000</b>	<b>1320000</b>

Yukta Ltd. took over the business of Nidhi Ltd. On 1<sup>st</sup> April 2014, Yukta Ltd. paid the purchase price as follows :

- (i) 70000 equity shares of Rs. 10 each fully paid to equity shareholders of Nidhi Ltd.
- (ii) 14% preference share of Rs. 100 each to make payment to preference shareholders of Nidhi Ltd. at a premium of 10%.
- (iii) Debentures of Nidhi Ltd. converted into equal number of debentures of Yukta Ltd.
- (iv) The statutory reserves of Nidhi Ltd. are still to be retained for two more years.

Prepare balance sheet of Yukta Ltd. if the amalgamation is in the nature of Merger

4 Write short notes : (any two)

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- (1) Methods of valuation of shares
- (2) Net Asset Method
- (3) Capital Redemption Reserve Account
- (4) Forfeiture of Shares.