

**2008000204050012**  
**EXAMINATION FEBRUARY-MARCH 2024**  
**BACHELOR OF COMMERCE (HONORS)**  
**(FOURTH SEMESTER)**  
**CORPORATE ACCOUNTING – IV – LEVEL 5**

[Time: As Per Schedule]

[Max. Marks: 50]

**Instructions:**

**1. Fill up strictly the following details on your answer book**

- a. Name of the Examination : **BACHELOR OF COMMERCE (HONORS)(FOURTH SEMESTER)**
  - b. Name of the Subject : **CORPORATE ACCOUNTING – IV – LEVEL 5**
  - c. Subject Code No : **2008000204050012**
2. Sketch neat and labelled diagram wherever necessary.  
3. Figures to the right indicate full marks of the question.  
4. All questions are compulsory.

Seat No:

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Student's Signature

**Q.1 Answer the following questions.**

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- 1) A Co. acquired 7,500 shares of B Co. on 1/7 / 2023. Total shares of B Co. were 10,000. On 1/1/2023 and 31/12/2023 Machineries account of B Co. showed balances of 4,00,000 and 3,60,000 respectively. On 1/7/ 2023 Machineries were revalued at 5,20,000. Depreciation charged is 10 %:  
What shall be the effect of this transaction on calculation of Depreciation?

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- 2) From the following information, pass journal entries with regard to capital reduction of ABC Ltd.

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- a) The company converted its 3,00,000 equity shares of Rs. 10 each into shares of Re. 1 each. The shareholders were asked to surrender 80% of their shares.
- b) The debenture holders of the company holding Rs. 20,00,000 debentures agreed to take over in part settlement of their dues a plant and machinery at Rs. 12,00,000 appearing in the Balance Sheet at Rs. 9,60,000.

**Q.2** Ram Ltd. Went into voluntary liquidation on 31<sup>st</sup> Dec. 2023, on which date its Balance Sheet was as under:

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Particulars	Rs.
(I) Equity and Liabilities:	
1. Shareholders' funds:	
(a) Share capital	
10% 15,000 pref share of Rs. 100 each	15,00,000
10,000 equity share of Rs. 100 each fully paid	10,00,000
15,000 equity share of Rs. 100 each paid up to Rs. 60 each	9,00,000
2. Non-current Liabilities:	
(a) Long term debt	
15% debentures	20,00,000
3. Current Liabilities:	
(a) Trade debt:	
Creditors	60,00,000
Outstanding interest on debentures	1,50,000
<b>Total Rs.</b>	<b>1,15,50,000</b>
(II) Assets:	
1. Non-current Assets:	
(a) Fixed Assets:	
Furniture	10,00,000
Buildings	50,00,000
Machinery	10,00,000
(b) Other non-current Assets:	
Non-current investment	20,00,000
2. Current Assets:	
(a) Materials	
Stock	20,00,000
(b) Trade Receivables: Debtors	-
(c) Cash and cash equivalent:	
Cash-bank balance	5,50,000
<b>Total Rs.</b>	<b>1,15,50,000</b>

Additional particulars:

- 1) Debenture holders are paid on 30-4-23.
- 2) Creditors includes as under:
  - i) Provident fund Rs. 1,00,000
  - ii) Income tax for the assessment years ended on 31-3-22 and 31-3-23 is Rs. 1,50,000 and Rs. 1,00,000 respectively.
  - iii) Bills for water and electricity Rs. 1,00,000.
  - iv) Salary of 20 clerks for last two month at Rs. 50,000 pm.
  - v) Mortgage loan on investments Rs. 8,00,000 and on furniture Rs. 2,50,000.

3)

Assets realized	Rs.
investment	6,50,000
furniture	7,00,000
Buildings	40,00,000
Machinery	3,00,000
Stock	5,00,000

- 4) Dissolution expenses are Rs. 50,750 liquidators remuneration is payable at 4% on amount of assets realized by him and 2% on amount paid to unsecured creditors excluding pref. creditors. All assets are sold out by liquidator.

- 5) Prepare liquidator's statement of Receipts and Payments.

**Q.3** The following is the trial balance of Krishna Co. Ltd. On 31-3-23.

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particulars	Debit Rs.	Credit Rs.
Equity share capital and calls in arears	10,000	2,00,000
Securities Premium	-	16,500
Capital reserve	-	55,000
General reserve	-	90,000
Provident fund and P.F. contribution	2,500	13,000
5% debentures	-	50,000
Opening stock	33,300	-
Purchases -sales	1,06,500	2,60,000
Land and building	1,70,000	-

7.5% pref. share capital	-	1,00,000
Share forfeiture	-	4,500
Plant and machinery	1,15,000	-
Furniture	32,000	-
Investment	1,65,700	-
Preliminary expenses	6,000	-
Debtors -creditors	66,000	33,000
Productive wages	35,200	-
Debt. Redemption fund and its investment	20,000	20,000
Salaries	57,000	-
Rent, rates and taxes	20,000	-
Director's fees	3,500	-
Postage and telegrams	6,500	-
Cash bank and bank loan	10,800	25,400
Advertise expenses	28,000	-
Public deposits	-	14,600
Income from investments	-	9,500
Bad debts and reserve	-	3,000
Goodwill	12,000	-
Profit and loss account	-	5,500
	<b>9,00,000</b>	<b>9,00,000</b>

Prepare final accounts from following particulars of Krishan Co. Ltd.

- 1) Stock on 31-3-23 was Rs. 95,400
- 2) Provide 5% reserve for bad debts on debtors.
- 3) Prepaid rent amounted to Rs. 2,000.
- 4) Provide depreciation on plant and machinery at 2% and on furniture at 5% and on land and building 4%.
- 5) Outstanding expenses: productive wages Rs. 2,500, salaries Rs. 3,000 and rent taxes Rs. 1,500.
- 6) Transfer Rs 25,000 to general reserve.
- 7) The directors of the company recommended 7.5% dividend on pref. share and 10% dividend on equity share capital.
- 8) The authorised capital of the co. amount to Rs. 5,00,000.

**Q.4 Write short notes on (ANY THREE)**

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- 1) Provision of companies act about capital reduction
- 2) Capital profit, revenue profit and revenue reserve
- 3) Liquidator's remuneration and fully secured creditors
- 4) Vertical balance sheet as per companies act 2013 with imaginary figures

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