

- ii. Following are the balance sheets of H Ltd. and S Ltd. –  
Balance sheets (as at 31.03.22)

Particulars	H Ltd.	S. Ltd
I. Equity and Liabilities		
Shareholders' fund		
(a) Share capital Rs. 10 per share	120000	50000
(b) Reserves and surplus: Reserves	50000	10000
Profit and loss account	20000	10000
Current liabilities		
Creditors	70000	5000
Bills payable	5000	5000
Total	265000	80000
II. Assets		
Non – current assets		
Fixed assets		
Land and buildings	100000	20000
Non-current investments		
Investment in S Ltd. 5000 shares	65000	-
Current assets		
Debtors	50000	30000
Stock	50000	30000
Total	265000	80000

Shares were acquired by H Ltd. on 30<sup>th</sup> September 2021. S. Ltd. transferred Rs. 5000 from Profits to reserves on 31<sup>st</sup> March 2022. Prepare the consolidated balance sheet.

- OR iii. How would you prepare consolidated balance sheet? Explain with an example. **6**

Q.6 Attempt any two:

- i. What do you understand by amalgamation of companies? **5**  
 ii. What are the types of amalgamation as per AS-14? **5**  
 iii. What are the advantages of amalgamation? **5**

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**6**

Total No. of Questions: 6

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management Studies  
End Sem Examination May-2024  
MS3CO13 Corporate Accounting

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. Shareholders get on their share capital: **1**  
 (a) Interest (b) Dividend  
 (c) Commission (d) Fees
- ii. When a company receives applications for purchase of shares more number than offered, it is called: **1**  
 (a) Over subscription (b) Under subscription  
 (c) Minimum subscription (d) None of these
- iii. Winding up of a company means: **1**  
 (a) Closer of company's business  
 (b) Disposal of the assets of the company  
 (c) End of the company's legal existence  
 (d) None of these
- iv. Voluntary liquidation of company means: **1**  
 (a) Members' voluntary winding up  
 (b) Creditors' voluntary winding up  
 (c) Members' and creditors' voluntary winding up  
 (d) Directors' voluntary winding up
- v. Sales of stock in trade is shown under the head \_\_\_\_\_. **1**  
 (a) Revenue from operations (b) Other income  
 (c) Both (a) and (b) (d) None of these
- vi. Profit on sale of fixed assets is shown in the head \_\_\_\_\_. **1**  
 (a) Revenue from operations (b) Other income  
 (c) Both (a) and (b) (d) None of these

- vii. On acquiring at least \_\_\_\_\_ percentage shares in subsidiary company a company becomes holding company: **1**  
 (a) 51% (b) 30% (c) 70% (d) 45%
- viii. In the calculation of minority interest the proportionate share in the \_\_\_\_\_ of subsidiary company is included. **1**  
 (a) Share capital (b) Profit  
 (c) Reserve (d) All of these
- ix. When two or more existing companies go into liquidation and a new company is formed to take over their business it is known as: **1**  
 (a) Amalgamation (b) Liquidation  
 (c) Reconstruction (d) Absorption
- x. The main object of amalgamation is: **1**  
 (a) To minimise the expenses (b) To stop competition  
 (c) To facilitate distribution (d) All of these
- Q.2 i. What do you mean by 'shares' of company? **2**  
 ii. Give journal entries for issue of shares. **3**  
 iii. Shipping Ltd. Issued 10,000 equity shares of Rs.25 each, payable Rs.5 on application, Rs. 10 on allotment, and Rs. 10 on first and final call. All the shares are subscribed and the amount duly received. Pass the journal entries. **5**
- OR iv. M Limited issued 10,000 equity shares of Rs. 10 each payable as to: **5**  
 Rs. 2 per share on application  
 Rs. 5 per share on allotment  
 Rs. 3 per share on first and final call  
 All money was duly received. Show the necessary journal and cash book entries to record the above transactions.
- Q.3 i. What do you understand by 'Liquidator's statement by Account'? **2**  
 ii. A Limited Co., which has paid up share capital of Rs. 5,00,000 went into voluntary liquidation on 31<sup>st</sup> March 2015. The following are the particulars of its assets and liabilities as on that date Machinery, Stock and Debtors (which realized their book value) Rs. 3,95,000. Cash Rs. 5,000; Creditors Rs. 2,00,000; 6%

Debentures carrying a floating charge Rs. 2,50,000 and interest accrued thereon for six months.

The Debentures were paid off with interest upto 30<sup>th</sup> September, 2015 on which date a first and final dividend was also paid to the creditor. Creditors for Rs. 25,000 were preferential and the rest unsecured. The cost of liquidation amounted to Rs. 2,500. The liquidator is entitled to 3% on the amount realized and 2% of the amount distributable to the unsecured creditors (except preferential creditors) by way of his own remuneration. Prepare the Liquidator's Final Statement of Account.

- OR iii. How would you prepare Liquidator's statement of account? **8**  
 Explain by taking an example.

- Q.4 i. Prepare the format of balance sheet of a Joint stock company. **3**  
 ii. What do you understand by 'Profit & Loss Appropriation Account'? How is the balance of profit & loss appropriation account shown in the company's balance sheet? **7**

- OR iii. Ganesh Ltd. was registered on 01-07-1997 to acquire the running business of Suneel & Co., with effect from 1-1-97. The following was the Profit and Loss account of the company on 31-12-97. **7**

Particulars	Amount	Particulars	Amount
To Office expenses	54,000	By Gross Profit b/d	2,25,000
To Formation expenses (written off)	10,000		
To Stationery & Postage	5,000		
To Selling Expenses	60,000		
To Director's Fees	20,000		
To Net Profit	76,000		
	2,25,000		2,25,000

You are required to prepare a statement showing profit earned by the company in the pre and post incorporation periods. The total sales for the year took place in the ratio 1:2 before and after incorporation respectively.

- Q.5 i. What do you understand by holding and subsidiary company? **4**  
 What is consolidated balance sheet?

Scheme of Marking  
END SEM Examination May, 2024  
MS3C012 Business Taxation.  
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Q.1 MCQs.

- (i) All of these (a)
- (ii) Gross Total Income (c)
- (iii) Two (c)
- (iv) Salary is more than ₹ 50,000 per annum (a)
- (v) All of these (d)
- (vi) NIL (c)
- (vii) All of these (d)
- (viii) 40% (b)
- (ix) All of these (d)
- (x) Both (a) and (b)

Q.2

(i) Definition as per sec. 3      2 Marks.

(ii) All types of person as per sec. 2(31) (Mark-1 each)

(iii) Computation of Gross Total Income  
for the A.Y. 2023-24

Particulars.	Ordinarily Resident ₹	Not Ordinarily Resident ₹	Non Resident ₹
1. Profit from business rec. in India	6,00,000	6,00,000	6,00,000
2. House income rec. in India	1,30,000	1,30,000	1,30,000
3. Oman House	2,47,500	Not taxable	Not taxable
4. Income accrued in India	10,000	10,000	10,000
5. Business income in Ujjain	75,000	75,000	75,000
6. Agricultural in India	Exempt	Exempt	Exempt
7. Agricultural in U.S.A.	<del>28,500</del> 38,000	Not taxable	Not Taxable

8. Past Unpaid foreign income

Not taxable

Not taxable

Not taxable

Gross Total income 11,00,500

815000

815000

Q.3

(i) Definition of facilities. (2 marks)

(ii) 8 Taxable allowance (1x8) = 8

(iii) Computation of income from salary for the A.Y. 2023-24

	₹	Marks
Basic Salary ( $35,000 \times 12$ )	4,20,000	1.5
D.A 30% of 4,20,000	1,26,000	1
Medical Allowance	24,000	1.5
Education Allowance 12,000		
less: Exempt ( $100 \times 2 \times 12$ )	- 2,400	
	9,600	1
Hostel Allowance 20,000		
less: Exempt ( $300 \times 2 \times 12$ )	- 7,200	
	12,800	1
Gross Salary	5,92,400	1.5
less: S.D u/s 16(i)	- 50,000	1
Income from salary	5,42,400	1.5

Q.4

(i) as per income tax act, 1961 (2 marks)

(ii) Definition of Annual value as per sec. 23(1) (2 marks)

and  
Deduction  $\left\{ \begin{array}{l} \text{MT} - 2 \text{ Marks} \\ \text{S.D} - 1 \text{ Mark} \\ \text{Int. m Loan} - 3 \end{array} \right.$

(iii)



# Computation of income from house property for the A.Y. 2023-24

Actual Rent  $(11000 \times 12)$  132000

Or

Standard Rent 120000

(Which ever is more) —————

132000 — (2 marks)

less! - Unrealised Rent

$(11000)$  — (1 mark)

G.A.V.

121000

less! - M.T @ 10% of M.V.

$(13000)$  — (2 marks)

NAV

108000

less! - Deduction u/s 24

(a) S.D @ 30% NAV

$(32400)$  (1 mark)

(b) Int. on Loan

$(40,000)$  — (1 mark)

Income from House Property

35,600 (1m)

Q.5

(i) Taxability of income, Annual information and financial transaction statement, Assessing tax authorities, Undertaking transaction mode and instruction to subordinate authorities.

(ii) Allowed Expenses as per u/s 37 (1x8) (8 marks)

(iii)

Computation of income from business for the A.Y. 2023-24

Net Profit as per P&L A/c

₹

₹

448000

Add! Disallowed Expenses:-

Income tax Paid

15000

Int. on Loan for Payment

5,000

of income tax

GST evasion

Cash Payment to Manoj

M.T  $1800 \times 2/3$

5000

19000

1200

—————  $\frac{45200}{493200}$

less:- Expenses allowed u/s 37 but not  
shown in P&L A/c —  
Dep. on assets.

$\frac{(22700)}{(22900)}$   
—————  $\frac{470500}{1}$

less:- Income not taxable under  
business head —

$\frac{\text{NIL}}{\text{—————}}$

Income from Business

$\frac{470500}{1}$

Q.6

(i) Definition as per sec. 45 of Income Tax Act, 1961  
with formula to calculate LTCG as

(ii) Definition as per sec. 45 of Income Tax Act 1961  
and tax Percentage

(iii) Source of income (1 Monic each) (1x5) 5 Monic.