

Particulars	Toni Ltd.	Garry Ltd.
I. Equity & Liabilities:		
Shareholders' Fund		
Share Capital: Equity Shares of Rs. 10 each fully paid	90,000	40,000
Reserve and Surplus:		
Statement of P & L – Surplus	23,000	8,000
Current Liabilities:		
Trade Payables	1,00,000	22,000
Total	2,13,000	70,000
II. Assets:		
Non- Current Assets	70,000	40,000
Currents Assets	88,000	20,000
Cash	55,000	10,000
Total	2,13,000	70,000

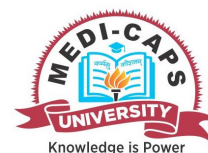
Q.6 Attempt any two:

- What do you understand by Amalgamation of Companies? Discuss merits and demerits of Amalgamation. **5**
- Divya Oil Ltd. go into voluntary liquidation. A new company Ganesh Oil Mills Ltd. was formed to acquire the assets of Divya Oil Ltd. on 31/03/2019. The assets were sold to new company for purchase consideration of 2,88,000, which Rs. 200,000 payables in shares of Rs. 1 each and Rs. 88,000 in cash. Divya Oil Mills Ltd. paid all the liabilities & cost of liquidation. Following is the Balance Sheet of Divya Oil Mills Ltd.

Particulars	Amount
I. Equity & Liabilities:	
Shareholders' Fund	
Share Capital:	4,00,000
Statement of P & L A/c (Loss)	(80,000)
Current Liabilities:	80,000
Total	4,00,000
II. Assets:	
Non- Current Assets:	
Fixed Assets	3,60,000
Current Assets	40,000
Total	4,00,000

Prepare the realisation A/c & shareholders A/c in the books of Divya Oil Mills Ltd.

- Give any five Journal Entries which are passed in the Books of Transferor Company (Vendor Co.) with proper narrations. **5**



Enrollment No.....

Faculty of Management Studies
End Sem (Even) Examination May-2022
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.

- Excess application money can be used by company in- **1**
 - Return to applicants
 - Adjusted on Allotment or on calls
 - Both (a) and (b)
 - None of these
- CRR arrangements cannot be made out of these profits- **1**
 - General Reserve
 - Share Forfeiture A/c
 - P & L A/c
 - Dividend Equalisation Fund
- Winding up of the company is- **1**
 - By closure of business
 - By sale of asset
 - By end of legal existence
 - By articles
- Creditors are Rs. 8,000, value of asset kept as security is Rs. 6,000, then the difference will be- **1**
 - Preference Creditors
 - Unsecured Creditors
 - Deficiency
 - Creditors having floating right
- The remuneration payable to a whole-time director or a managing director or manager shall not exceed the limit- **1**
 - 5% or 10% of Net Profits
 - 6% or 10% of Net Profits
 - 4% or 8% of Net Profits
 - 5% or 8% of Net Profits
- Depreciation is apportioned in- **1**
 - Time Ratio
 - Sales Ratio
 - Equal Ratio
 - None of these
- Main features of Holding Company are- **1**
 - Elimination of mutual competition
 - Benefits of large-scale Production
 - Benefits of separate identity
 - All of these
- Taxation provision made by subsidiary company will appear in the consolidated balance sheet as an item of - **1**
 - Revenue Profit
 - Minority Interest
 - Current Liability
 - None of these

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- ix. When two or more than two companies, doing similar business combine together and form a new company to take over their business then this combination is called- **1**
 (a) Amalgamation (b) Absorption
 (c) Reconstruction (d) Reconstitution
- x. Excess of net asset over purchase consideration is considered as- **1**
 (a) Goodwill (b) Capital Reserve
 (c) Revenue Reserve (d) Secret Reserve
- Q.2 i. Explain the issue of shares at premium. **2**
 ii. ABC Ltd. issued 20,000 equity shares of Rs. 10 each to the public. **8**
 Applications were received for 25,000 shares. Excess application amount returned to their applicants. On application 2 Rs., on allotment 3 Rs., on I Call Rs. 2 & on II & final call 3 Rs. were payable. All the amount is duly received. Pass the necessary journal entries on the issue of shares in the books of ABC Ltd.
- OR iii. Shri Chandra Prakash having 1,000 shares of Pratibha Co. Ltd. Amount is **8**
 to be payable on these shares, application 3 Rs., on allotment 4 Rs. and on I call 3 Rs. The amount is received for application & allotment, but he couldn't pay the I call amount. Company has decided to forfeited his shares. Forfeited shares reissued to Mr. Tarun at Rs. 8 per share. Show all necessary journal entries in the books of Pratibha Ltd.
- Q.3 i. In what order the money realised from assets is distributed by the **4**
 liquidator?
 ii. Discuss meaning and types of liquidation. **6**
- OR iii. AB Ltd. went into liquidation with following liabilities: **6**
 (a) Secured Creditors Rs. 20,000 (Securities realised Rs. 25,000)
 (b) Preferential Creditors Rs. 6,000
 (c) Unsecured Creditors Rs. 30,500, Liquidation Expenses Rs. 252.
 Liquidator's Remuneration: 3% on the amount realised and 1 ½ % on the amount distributed to unsecured creditors Rs. 26,000 were realised from various assets and this amount does not include those securities which are with the secured creditors. Prepare Liquidator's Final Statement of account. Liquidator is entitled for remuneration on the amount realised on all the assets including those which are with the secured creditors.

[3]

- Q.4 i. Write short note on following **4**
 (a) Outstanding Expenses
 (b) Capital A/c in the context of separate legal entity
- ii. Pawan Ltd. was incorporated on 1st March 2019. The company brought the **6**
 business of Pramod Ltd. with effect from 1st November 2018 from the following figures relating to the year ending October 2019.
 (a) Sales for the year was Rs. 3,00,000 out of which sales upto 1st March were Rs. 1,25,000.
 (b) The P & L A/c shows the yearly information as follows:

Particulars	Amount	Particulars	Amount
To Rent	4,500	By Gross Profit	90,000
To Salaries	7,500		
To Director's Fees	2,400		
To Interest on Debentures	2,500		
To Audit fees	750		
To Discount on sales	1,800		
To Depreciation	12,000		
To General Expenses	2,400		
To Advertising	9,000		
To Stationery & Printing	1,800		
To Commission on Sales	3,000		
To Bad Debts	750		
To Interest to vendors up to 01.05.2019	1,500		
To Net Profit	40,100		
	90,000		90,000

Apportion the year's profit between the pre-incorporation and the post-incorporation period.

- OR iii. Prepare a specimen of Company's Balance Sheet in the format as per **6**
 Schedule III of the Companies Act.
- Q.5 Attempt any two:
- i. Define Holding Company & Subsidiary Company. What are the **5**
 advantages of Holding Company?
 ii. What is the Consolidated Balance Sheet? How it is Prepared? **5**
 iii. On 1st April 2019 Toni Ltd. acquired 75% shares of Garry Ltd. at **5**
 Rs. 18 per share. Prepare Consolidated Balance Sheet as at 1st April 2019. The Balance Sheet of Toni Ltd. & Garry Ltd. on 31st March 2019 as follows:

P.T.O.

Marking Scheme
MS3CO13 Corporate Accounting

Q.1	i.	Excess application money can be used by company in- (c) Both (a) and (b)	1
	ii.	CRR arrangements cannot be made out of these profits- (b) Share Forfeiture A/c	1
	iii.	Winding up of the company is- (c) By end of legal existence	1
	iv.	Creditors are Rs. 8,000, value of asset kept as security is Rs. 6,000, then the difference will be- (b) Unsecured Creditors	1
	v.	The remuneration payable to a whole-time director or a managing director or manager shall not exceed the limit- (a) 5% or 10% of Net Profits	1
	vi.	Depreciation is apportioned in- (a) Time Ratio	1
	vii.	Main features of Holding Company are- (d) All of these	1
	viii.	Taxation provision made by subsidiary company will appear in the consolidated balance sheet as an item of - (c) Current Liability	1
	ix.	When two or more than two companies, doing similar business combine together and form a new company to take over their business then this combination is called- (a) Amalgamation	1
	x.	Excess of net asset over purchase consideration is considered as- (b) Capital Reserve	1
Q.2	i.	Meaning of issue of shares at premium.	2
	ii.	Pass the necessary journal entries on the issue of shares in the books of ABC Ltd. 1 mark for each Journal Entry (1 mark * 8)	8
OR	iii.	Show all necessary journal entries in the books of Pratibha Ltd. Proportionate marking	8
Q.3	i.	Money realised from assets is distributed by the liquidator? As per the explanation	4
	ii.	Liquidation Meaning Types	6 2 marks 4 marks

OR	iii.	Prepare Liquidator's Final Statement of account. Proportionate marking	6
Q.4	i.	Write short note on following (a) Outstanding Expenses (b) Capital A/c in the context of separate legal entity	4 2 marks 2 marks
	ii.	Apportion the year's profit between the pre-incorporation and the post-incorporation period. Proportionate marking	6
OR	iii.	Prepare a specimen of Company's Balance Sheet in the format as per Schedule III of the Companies Act. Proportionate marking	6
Q.5		Attempt any two:	
	i.	Holding Company & Subsidiary Company Advantages of Holding Company	2 marks 3 marks
	ii.	What is the Consolidated Balance Sheet Preparation of B/S	2 marks 3 marks
	iii.	Prepare Consolidated Balance Sheet as at 1 st April 2019. Goodwill/capital Reserve Minority Interest Share Capital Current & Non-current Assets Current Liabilities	5 1 mark 1 mark 1 mark 1 mark 1 mark
Q.6		Attempt any two:	
	i.	Amalgamation of Companies Merits of Amalgamation Demerits of Amalgamation	1 marks 2 marks 2 marks
	ii.	Prepare the realisation A/c Shareholders A/c	2 marks 3 marks
	iii.	Any five Journal Entries which are passed in the Books of Transferor Company (Vendor Co.) with proper narrations. 1 mark for each journal entry	5 (1 mark * 5)
