

S. B. B. Alias APPASAHEB JEDHE ARTS, COMMERCE & SCIENCE COLLEGE, PUNE 02.

S.Y.B. Com. - TERM END EXAM - 2017 - 2018

SUBJECT :- CORPORATE ACCOUNTING

Time - 2 hrs.

Marks - 60

- (i) All questions are compulsory.**
- (ii) Figures to the right side indicate full marks.**
- (iii) Use of calculator is allowed.**

Q.1 A) Fill in the blanks. (Any Five)

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- 1) Reserves are the amounts kept aside out of the _____ .
- 2) Loss due to earthquake is an example of _____ item.
- 3) Unclaimed dividend is a _____ liability.
- 4) Debenture holders are _____ of the company.
- 5) The dividend which is declared between two Annual General meeting is called as _____ dividend.
- 6) Corporate life of the company brought to an end is called as _____ .
- 7) In the final account sales are termed as _____ .
- 8) _____ statement displays the revenue and expenses of a company for a period of time.
- 9) Liquidator's statement of receipts and payment is known as _____ .

B) Whether the following statements are True or False (Any Five)

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- 1) All Governments dues are treated as preferential creditors.
- 2) By giving a security the loan is taken by company is called as Secured Loan.
- 3) The person which is appointed by court to complete liquidation process is called as Liquidator.
- 4) A Contributory can only be a present member of the liquidated company.
- 5) Debenture holders are not the owners but are the creditors of the company.
- 6) As - 14 deals with Accounting for Amalgamation.
- 7) Market value of the Equity share is always fixed.
- 8) Liquidation under supervision of court is voluntary liquidation.
- 9) Computerized accounting eliminates all types of errors in accounting.

C) Short Notes (Any Three)

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- 1) Explain the Accounting Standard (AS) 14
- 2) Explain the term MIS (Management Information System)
- 3) Explain the term Inventory Accounting
- 4) Explain the term Payroll Accounting
- 5) Explain the term AIS (Accounting Information System)
- 6) Explain the Accounting Standard (AS) 21

P.T.O.

Balance Sheet as at 31st March, 2017

Liabilities	Rs.	Assets	Rs.
Share Capital 4000			
Equity Share of Rs. 100 each Rs. 50 paid up	2,00,000	Land & Building	55,000
1000 equity shares of Rs. 100 each Rs. 30 paid up	30,000	Plant & Machinery	60,000
6% Debentures (having a floating charges on all assets)	25,000	Furniture	25,000
Sundry Creditors (on mortgage of Plant & Machinery)	30,000	Moulds	60,000
Preferential Creditor	6,000	Stock	40,000
Unsecured Creditors	9,000	Debtors	20,000
		Cash in Hand	10,000
		Profit & Loss A/c	30,000
	3,00,000		3,00,000

The company went into voluntary liquidation as on the above balance sheet date. The Liquidator realized the assets as follows: Land and Building Rs. 70,0000; Plant and machinery Rs. 65,000; Moulds Rs. 50,000; Furniture Rs. 20,000; Stock Rs. 35,000 and Debtors Rs. 11,000.

The Liquidation expenses amounted to Rs. 3,500. The Liquidator is entitled to a fixed remuneration of Rs. 3,200 and @ 2% on the amount of assets realised and 2% on the amount distributed to unsecured creditors including preferential creditors. The Liquidator made payments on 30th September 2017 on which date the debentures were also repaid.

Prepare the Liquidator's Final Statement of Accounts.

Q.3

Kundan Ltd. Pune was registered with an Authorized capital of Rs. 4,00,000 divided into 4,000 Equity Shares of Rs. 100 each.

You are required to prepare a statement of profit and loss for the year ended 31st March 2017 as per the revised schedule VI of the Companies Act 2013.

DO NOT PREPARE BALANCE SHEET AND DO NOT RECORD SECOND EFFECT OF ADJUSTMENTS

The following balances extracted from the books as on 31st March, 2017 as follows:

Debit Balance	Amount	Credit Balance	Amount
Purchases	3,54,200	Sales	7,00,000
Stock of Raw Materials 1.4.2016	16,600	Purchases Return	18,200
Carriage Outwards	6,700	Interest on trade investment	3,500
Salaries and Wages	90,100	Miscellaneous Income Received	3,700
Staff Welfare expenses	12,700	Other operating revenue	14,000
Repairs to buildings	24,200	bank Interest	1,400
Carriage inward	7,100		
Contribution to pension fund	2,800		
Bad Debts	4,300		
Power and Fuel	13,000		
Insurance	18,300		
Rent and Taxes	11,200		
Sales Return	12,600		

Adjustments :

- i) Stock of Raw Material as on 31st March 2017 amounted to Rs. 24,000.
- ii) Provision for bad and doubtful debts is Rs. 6,000.
- iii) Provide depreciation on Building Rs. 5,000 and Motor Vehicles Rs. 4,000.

Q.4

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A) Prince Ltd. is constructing a fixed assets. The cost of project is given below:

Material	Rs. 52,00,000
Direct Expenses	Rs. 7,00,000
Total Wages for the year	Rs. 4,80,000 (50% is chargeable to project)
Administrative Expenses	Rs. 1,25,000
Depreciation on assets used for the project	Rs. 30,000

Calculate the cost of fixed assets.

B) Bharat Co. Ltd. acquired a Plant and Machinery on 1-4-2016 for Rs. 87,00,000. Installation expenses were Rs. 3,00,000. Scarp value after its useful life of 5 years was estimates Rs. 10,00,000. What is the amount of depreciation that Bharat Co. Ltd. should charges for the accounting year ending 31-03-2017 under fixed installment method?

C) Mention whether the following items are Prior period items, Change in accounting estimate or Extraordinary items.

- i) Arrears of salaries and wages of Rs. 10 lakhs for the previous year will be paid during the current year as per court judgement delivered in the current year. At the end of previous year, the company assessed that arrears of salaries and wages would not be required to be paid. So no provision was made at the end of previous year.
- ii) Expenses of Rs. 50,000 of the previous year, which were omitted from books of account of the previous year due to an oversight.
- iii) The amount of provision for doubtful debts as at the end of he previous year was Rs. 5,00,000 of these debts of Rs. 3,00,000 were realised during the year.
- iv) Sales of significant part of the plot of land on which the footing is situated.