

Subject : Corporate Accounting-II

Day : Tuesday
Date : 04/10/2016

S.D.E.

Time : 3.00 P.M. TO 6.00 P.M.
Max Marks : 80 Total Pages : 5

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Answers to both the sections should be written in the **SAME** answer book.
- 4) Use of non programmable **CALCULATOR** is allowed.

SECTION-I

Q.1 The following are the Balance Sheets of two companies as at 31st March, 2016. (16)

Liabilities	'AB' Ltd Rs.	'CD' Ltd Rs.	Assets	'AB' Ltd Rs.	'CD' Ltd. Rs.
Equity Share Capital Shares of Rs. 10 each	10,00,000	5,00,000	Land and Building	2,00,000	1,50,000
General Reserve on 1.4.2015	1,00,000	1,00,000	Machinery	3,00,000	3,00,000
			Stock	75,000	50,000
			Sundry Debtors	50,000	60,000
Profit and Loss A/c on 1.4. 2015	50,000	30,000	Investments at cost Shares in 'CD' Ltd.	5,00,000	-
Profit for the year 2015-16	60,000	40,000	Bills Receivable	10,000	5,000
Sundry Creditors	70,000	50,000	Cash at Bank	1,55,000	1,60,000
Bills Payable	10,000	5,000			
	<u>12,90,000</u>	<u>7,25,000</u>		<u>12,90,000</u>	<u>7,25,000</u>

- a) 'AB' Ltd. acquired 40,000 equity shares of 'CD' Ltd. on 1. 4. 2015.
 - b) Bills Receivable of 'AB' Ltd. includes Rs. 3,000 accepted by 'CD' Ltd.
 - c) Sundry Debtors includes goods purchased from 'AB' Ltd. for Rs. 30,000 which were invoiced by 'AB' Ltd. at a profit of 25% on invoice price.
- Prepare a Consolidated Balance Sheet of 'AB' Ltd. and its subsidiary 'CD' Ltd. as at 31.3.2016.

OR

Q.1 Write short notes on the following: (16)

- a) Capital Profit and Revenue Profit
- b) Cost of Control
- c) Inter Company Indebtedness
- d) Minority Interest

P. T. O.

- Q.2 Following is the Trial Balance of Golden Co-operative Bank Ltd., Nagpur as on 31-3-2016. (16)

Trial Balance as on 31-3-2016

Particulars	Debit (Rs.)	Credit (Rs.)
Subscribed Capital 56,250 Equity shares of Rs. 10 each fully paid	-	5,62,000
Reserve Fund	-	2,81,250
Loan, Cash Credit and Overdraft	2,44,125	
Premises	86,250	-
Indian Government Securities	4,50,000	-
Current Deposits	-	1,12,500
Fixed Deposits	-	1,40,625
Savings Bank Deposits	-	86,250
Salaries	31,500	-
General Expenses	30,375	-
Rent and Taxes	3,375	-
Directors Fees	2,250	-
Profit and Loss Account on 1-4-2015	-	20,250
Interest and Discount Received		1,40,625
Stock of Stationary	9,000	-
Bills Purchased and Discounted	51,750	-
Interim Dividend Paid	19,125	-
Shares of Company	56,250	-
Cash-in-hand and with RBI	2,13,750	-
Money at Call and Short Notice	90,000	-
Interest Paid	56,250	-
	13,44,000	13,44,000

Adjustments:

- a) Provide rebate on bills discounted Rs. 1,125.
- b) Provide Rs. 3,375 for doubtful debts.
- c) Authorized Capital was 1,20,000 Equity Shares of Rs. 10 each.
- d) Provide Rs. 9,000 for Taxation Reserve.

You are required to prepare Profit and Loss Account for the year ended 31st March, 2016 and the Balance Sheet as on that date as per Banking Companies Regulation Act with necessary schedules.

OR

- Q.2 Following is the Balance Sheet of Reena of Ltd. as on 30th June, 2015. (16)

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital:	-	Land and Building	75,000
1,500, 8% Preference Shares of Rs. 100 each	1,50,000	Plant and Machinery	1,80,000
4,500 Equity Shares of Rs. 100 each Rs. 50 paid-up	2,25,000	Furniture	30,000
6% Debentures (having a floating charge on all assets)	1,20,000	Fitting	15,000
Outstanding Debentures Interest	7,200	Modulus	1,50,000
Sundry Creditors:		Stock	75,000
On Mortgage of Plant and Machinery	90,000	Debtors	37,500
Preferential	9,300	Cash in Hand	1,500
Unsecured	75,000	Profit and Loss A/c	1,12,000
	6,76,500		6,76,500

The company went into voluntary liquidation as on the above Balance Sheet date. Preference dividend was in arrears for one year as per the Articles of the company, it was to be paid.

the Liquidator realised the assets as under:

Land and Building	-	1,50,000
Plant and Machinery	-	1,65,000
Moulds	-	1,27,000
Furniture	-	18,000
Stock	-	63,000
Debtors	-	31,500

Fittings were worthless.

The Liquidation Expenses amounted to Rs. 8,190.

The liquidator is entitled to remuneration at 2% on the assets realised, 2% on the amount distributed to unsecured creditors and 10% on the amount returned to equity shareholders.

In addition to the above liabilities, the liquidator had to pay Rs. 2,700 as repairs bill of Plant and Machinery.

The liquidator made the payments on 31st December, 2015.

Prepare Liquidator's Final Statement of Accounts.

SECTION-II

- Q.3** The items given ahead are extracted from the books of Manisha who keeps her books of accounts under single entry system. You are required to prepare Trading and Profit and Loss Account for the year ending 31-03-2016 and the Balance Sheet as on that date. (16)

Receipts and Payments Account for the year ended 31st March, 2016

Receipts	Rs.	Payments	Rs.
To Balance b/d	3,000	By Creditors	40,500
To Sales	17,000	By Salary	2,250
To Debtors	62,500	By Rent	1,000
		By Wages	7,000
		By Sundry Expenses	4,000
		By Purchases	3,000
		By Drawings	7,500
		By Balance c/d	17,250
	82,500		82,500

The assets and liabilities were as follows:

Assets and Liabilities	As on 1- 4 -2015	As on 31- 3 -2016
Stock	12,500	18,000
Creditors	6,500	7,000
Debtors	13,500	16,000
Furniture	6,000	6,000
Machinery	20,000	20,000

Additional Information:

- Provide for depreciation of Furniture at 5% and on Machinery at 10% p.a.
- Make provision for doubtful debts at 5% on Debtors.

P.T.O.

- Q.4** Find out the amount of claim to be lodged with the Insurance Company from (16) the following information relating to Ramesh Brothers, Pune.

Particulars	2013 (Rs.)	2014 (Rs.)	2015 (Rs.)	1 -1 2015 up to the date of fire (Rs.)
Opening Stock	1,50,000	-	-	-
Purchase Less: Returns	5,00,000	7,50,000	9,00,000	6,00,000
Sales Less: Returns	6,00,000	8,00,000	13,00,000	8,40,000
Wages	20,000	50,000	60,000	40,000
Closing Stock	2,00,000	4,00,000	5,00,000	-

During the year 2015 the closing stock included goods purchased but not recorded Rs. 50,000. The salvaged stock was valued at Rs. 90,000. The amount of policy was Rs. 3,40,000. There was an average clause in the policy. The firm closes its books on 31st December every year.

OR

- Q.4** From the following information you are required to prepare Crop Account and (16) Live Stock Account for the year ended 31. 03. 2016.

a) Stock

Particulars	As on 01. 04. 2015 (Rs)	As on 01. 04. 2015 (Rs)
Live Stock	61,000	60,000
Paddy	4,000	3,000
Cattle Feed	2,800	1,800
Fertilizers	2,200	1,200

b) Purchase during the year 2015-16

Live Stock	11,600
Fertilizers	2,400
Seeds	1,200
Cattle Feed	6,800

c) Crop Expenses during the year 2015-16

Labour	7,200
Other Expenses	800

d) Live Stock Expenses during the year 2015-16

Medicines	1,200
Labour	7,200
Dairy Expenses	1,600

e) General Expenses Rs. 12,000/- to be distributed to Crop and Live Stock Account in the ratio of 3:1 respectively.

f) Consumption of Farm products by the farmer during the year 2015-16

Food Grains	2,500
Milk Products	4,000

g) Depreciation worth Rs. 10,000 to be charged to Crop and Live Stock Account in the proportion of 3:2 respectively.

h) Cow dung of Rs. 4,000/- has been used as manure in crop section and food grains worth Rs. 5,000 were used as animal feed in live stock section.

i) Sales during the year 2015-16:

Milk	30,400
Paddy	52,600
Live Stock	9,000

- Q.5** The following is the summarized Trading and Profit and Loss Account for the year ended 31- 03- 2016 and Balance Sheet on 31- 03- 2016 of Bhushan Ltd. (16)

**Trading and Profit and Loss Account
for the year ended 31-03- 2016**

Particulars	Rs.	Particulars	Rs.
To Opening Stock	80,000	By Sales	36,00,000
To Purchases	33,40,000	By Closing Stock	1,20,000
To Gross Profit	3,00,000		
	37,20,000		37,20,000
To Operating Expenses: Office and Administration	50,000	By Gross Profit	3,00,000
Selling and Distribution	26,000		
To Net Profit	2,24,000		
	3,00,000		3,00,000

Balance Sheet as on 31- 3- 2016

Liabilities	Rs.	Assets	Rs.
Share Capital	12,00,000	Fixed Assets	10, 75,000
Reserves	4,00,000	Stock	5,25,000
Profit and Loss A/c	80,000	Debtors	3,00,000
Creditors	3,20,000	Cash	30,000
Bank Overdraft	60,000	Bank	1,30,000
	20,60,000		20,60,000

You are required to compute the following ratios of the above company.

- a) Current Ratio
- b) Liquid Ratio
- c) Gross Profit Ratio
- d) Net Profit Ratio
- e) Stock Turnover Ratio

OR

- Q.5** Write short notes on the following: (16)

- a) Benefits of Farm Accounting
- b) Conversion of Single Entry into Double Entry
- c) Loss of Profit Policy
- d) Accounting Standards in India

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