

Subject : Corporate Accounting - I

Day : Thursday
Date : 07/04/2016



Time : 11.00 AM TO 02.00 PM
Max Marks : 80 Total Pages : 4

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 **SAME** answer book.
- 4) Use of non programmable **CALCULATOR** is allowed.

SECTION-I

Q.1 Trimurti Ltd. issued for public subscription 2,000 equity shares of Rs. 100 each at premium of Rs. 5 per share payable as follows: **(16)**

On Application	Rs. 35 per share (including premium)
On Allotment	Rs. 25 per share
On First call	Rs. 30 per share
On Final Call	Rs. 15 per share

Applications were received for 2,200 shares. 2,000 equity shares were allotted to the applicants, the remaining applications for 200 equity shares were rejected and the application money there on was refunded.

All the amounts were received except Miss Sonia to whom 100 equity shares were allotted. She failed to pay the amounts due on first and final call. These shares were subsequently forfeited. The forfeited equity shares were sold to Miss Sheetal as fully paid at Rs. 80 per share.

Pass necessary Journal Entries in the Books of Trimurti Ltd.

Q.2 Moon Trading Company Ltd., was registered with nominal capital of Rs. 12,00,000 divided into Equity Shares of Rs. 100 each. Following are the balances extracted from its books on 31st March, 2014. **(16)**

Particulars	Rs.
Premises	7,50,000
Plant and Machinery	6,90,000
Calls in Arrears	8,500
Interim Dividend Paid on 31.10.13	40,000
Furniture	15,000
Goodwill	25,000
Debtors	85,000
Opening Stock	72,000
Preliminary Expenses	6,000
Purchases	1,90,000
Carriage	15,000
Sundry Expenses	12,000
Salary	18,000
Directors' Fees	7,000
Bad Debts	2,500
Debenture Interest Paid	12,000
Subscribed and Called-up Capital	8,00,000
6% Debentures	4,00,000
Profit and Loss A/c (Cr. Balance)	20,000
Bills Payable	35,000
Sales	6,50,000
Creditors	22,000
General Reserve	35,000
Bank Overdraft	20,000
Bad Debts Reserve (1.4.2013)	4,000
Cash in Hand	38,000

P.T.O.

Prepare Trading , Profit and Loss A/c; Profit and Loss Appropriation A/ c for the year ended 31st March 2014 and Balance Sheet in a prescribed form as on that date after considering the following:

1. Stock on 31st March, 2014 was valued at cost Rs. 1,50,000. (Market Value Rs. 1,60,000).
2. Depreciate Plant and Machinery at 10%, Premises by 5% and Furniture at 10% per annum.
3. Write off half of the Preliminary Expenses.
4. Provide for bad debts at 5% on Debtors.
5. Transfer Rs. 15,000 to General Reserve.
6. Directors propose to pay final dividend at 10%.
7. Make Provision for Taxation Rs. 50,000.

OR

- Q.2** The Jaihind Ltd. was incorporated on 1st August 2013 to take over the business of Modern Co. as a going concern from 1st April 2013. The profit and loss a/c of the company for the year ended 31st March, 2014 was as follows: (16)

Profit and Loss A/c for the year ended 31.3.2014

Particulars	Rs.	Particulars	Rs.
To Rent and Taxes	24,000	By Gross Profit b/d	2,10,000
To Insurance	6,000		
To Electricity Charges	4,800		
To Salaries	72,000		
To Directors' Fees	6,000		
To Auditor's Fee	3,200		
To Commission	12,000		
To Advertisement	8,000		
To Discount	7,000		
To Office Expenses	15,000		
To Carriage	6,000		
To Bank Charges	3,000		
To Preliminary Expenses	13,000		
To Bad Debts	4,000		
To Interest on Loan	6,000		
To Net Profit	1,20,000		
Total:	2,10,000	Total:	2,10,000

The total turnover for the year ending 31st March, 2014 was Rs. 10,00,000 dividend into Rs. 3,00,000 for the period upto 1st August 2013 and Rs. 7,00,000 for the remaining period.

Ascertain the profit earned prior to incorporation and after incorporation of the company.

SECTION-II

- Q.3** Seema Ltd., Mumbai has branch at New Delhi. All goods required for sale at New Delhi Branch are supplied from Pune at cost plus 25% and all cash received at the Branch is banked daily in the Head Office Account opened in a Bank at New Delhi. (16)
- From the following particulars give the Branch Account and Branch Debtors Account.

Particulars	Rs.
Stock (1.4.2013)	79,000
Debtors (1.4.2013)	1,13,000
Petty Cash(1.4.2013)	900
Returns from Customers	4,000
Goods Invoiced to Branch	2,50,000
Returned Goods to Head Office	10,000
Bad Debts	1,000
Cash Sales	14,000
Branch Expenses paid by Head Office	
Rent	14,000
Salary	15,000
Sundries	7,000
Allowances Given	4,500
Petty Cash Expenses at Branch	2,400
Total Sales	3,49,000
Remittance to Branch for Petty Cash	2,800
Stock (31.3.2014)	84,000
Debtors (31.3.2014)	1,95,100

- Q.4** The Radha Limited sells its business to the Krishna Limited on 31st March, 2014 on which date its Balance Sheet was as follows: (16)

Liabilities	Rs.	Assets	Rs.
Paid up Capital 2,000 shares of Rs. 100 each	2,00,000	Goodwill	50,000
6% 100 Debentures of Rs. 1,000 each	1,00,000	Freehold Property	1,50,000
Sundry Creditors	30,000	Machinery	83,000
Reserve Fund	50,000	Stock	35,000
Profit and Loss Accounts	20,000	Bills Receivable	4,500
		Sundry Debtors	27,500
		Cash at Bank	50,000
	4,00,000		4,00,000

The Krishna Ltd. agreed to take over the assets (exclusive of cash and goodwill) at 10% less than the books values, to pay Rs. 75,000 for goodwill and to take over the Debentures.

The purchase consideration was to be discharged by the allotment to the Radha Ltd. of 1,500 shares of Rs. 100 each at premium of Rs. 10 per share and the balance in cash. The cost of liquidation amounted to Rs. 3,000 borne by the Radha Ltd.

Prepare necessary accounts in the books of Radha Ltd. recording the above transactions. Also pass necessary entries in the books of the Krishna Ltd.

P.T.O.

- Q.5** Mahalaxmi Departmental Stores had three Departments X, Y and Z. The following particulars regarding the three Departments are given: (16)

	Dept X	Dept. Y	Dept Z
	Rs.	Rs.	Rs.
Opening Stock	40,000	20,000	60,000
Purchases	1,10,000	55,000	2,20,000
Sales	4,00,000	3,00,000	2,00,000
Closing Stock	24,000	12,000	2,40,000

The following expenses were also incurred:

	Rs.
General Expenses	24,000
Rent, Rates and Taxes	18,000
Commission Received	9,000
Discount Allowed	27,000
Sales Promotion Expenses	36,000
Salesman's Salary	9,000
Discount Received	14,000

Goods worth Rs. 10,000 were transferred from Department X to Department Y. Goods worth Rs. 5,000 were transferred from Department Z to Y.

1. Allocate General Expenses and Rent, Rates and Taxes equally between the three Departments.
2. Commission Received is divided in the ratio of 3:2:1 between Departments X, Y and Z respectively.

Prepare Departmental Trading and Profit and Loss Account allocating other expenses on appropriate basis.

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