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SUBJECT CODE NO: - X-3060
FACULTY OF COMMERCE AND MANAGEMENT
B. COM. (CBCGS)(Pattern-2018-22) S.Y SEM IV
Examination April / May - 2024
Corporate Account-II

[Time: 3 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

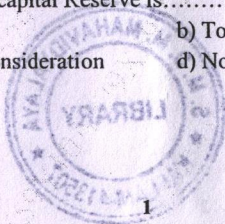
N. B

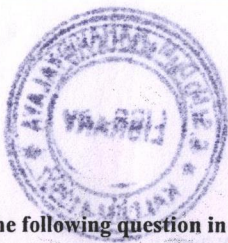
- 1) Q.1 is compulsory.
- 2) Attempt any four question from Q NO.2 to Q NO.7
- 3) Use of calculator is allowed.

Q.1 A) Select the most appropriate answer.

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1. Shares received from the new company are recorded at.
 - a) Face value
 - b) Average price
 - c) Market value
 - d) None of the above
2. In case of _____ one existing company takes over the business of another company and no new company is formed.
 - a) Amalgamation
 - b) Absorption
 - c) Reconstruction
 - d) None of the above.
3. When the vendor (seller) company agrees to bear liquidation expenses, it will debit.
 - a) Realisation Account
 - b) Bank Account
 - c) Goodwill Account
 - d) None of the above
4. While calculating purchase consideration _____ values of assets is to be considered.
 - a) Book Value
 - b) Revalued price
 - c) Average price
 - d) Capital
5. Net Assets minus capital Reserve is.....
 - a) Goodwill
 - b) Total assets.
 - c) Purchase consideration
 - d) None of these





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B) Answer the following question in one sentence each.

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1. Goodwill mean.....
2. Super profit mean.....
3. Merger of two or more companies or business undertaking to form new company mean.
4. ROI stands for?
5. To whom is the term 'insider trading' related?

C) Fill in the blanks and rewrite the sentences.

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1. _____ is current asset.
2. _____ is current liability.
3. _____ is not accumulated profit
4. Minimum number of members in case of public company is _____
5. Maximum number of members in public limited company is _____

D) State the following statements as whether True or False.

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1. NO company can become the subsidiary of another company.
2. Trade creditors are liabilities.
3. Bills payable is not a liability.
4. Capital redemption reserve is undistributed profit.
5. Outstanding expenses are liabilities.

Q.2 Two companies 'X' Ltd and 'Y' Ltd. Carrying on similar business enter into a contract to Amalgamate. A new company called 'Z' Ltd is formed to take over the assets and liabilities of the two companies. The following are the Balance sheets showing the values of the Assets are agreed in the contract and it is provided that fully paid Rs.50 shares shall be issued by the new company to the value of the assets of each of the old Companies.

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Balance sheet
As on 31 March-2020

Liabilities	'X' Ltd	'Y' Ltd	Assets	'X' Ltd	'Y' Ltd
Share capital: Share of Rs 10 each fully paid	2,50,000	2,00,000	Land & Building	95,000	75,000
Reserve Fund	-----	50,000	Plant & Machinery	90,000	1,00,000
P&L A/C	-----	10,000	Stock	75,000	45,000
Sundry Creditors	50,000	40,000	Sundry Debtors	9,000	45,000
			cash & Bank	11,000	35,000
			P&L A/C	20,000	-----
	3,00,000	3,00,000		3,00,000	3,00,000

Give the opening Entries in the books of "Z" Ltd.

3 Sun Ltd. Absorbed the business of Moon Ltd. The balance sheet of Moon Ltd. on 15 the date of absorption was as follows.

Liabilities	Rs.	Assets	Rs.
Share capital 5000 shares of Rs. 10 each	50,000	Land & Building	10,000
General Reserve	10,000	Plant & Machinery	15,000
Profit & Loss A/C	2,000	Motor	8,000
Sundry creditors	8,000	Stock	17,000
		Debtors	11,000
		Cash	9,000
	70,000		70,000

The Purchase price was agreed at Rs. 72000 in cash.
Show Acquisition entries in the book of sun Ltd.



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Q.4 The following is the Balance sheet of shining India Ltd. as on 31 March-2020 15

Balance sheet

Liabilities	Amount	Assets	Amount
Equity share of Rs.10 each Fully paid up	1,00,000	Goodwill	20,000
200, 6%. Pre. Shares of Rs. 100 each.	20,000	Plant & Machinery	90,000
Sundry creditors	1,00,000	Stock	29,000
		Debtors	20,000
		Cash	11,000
		P&L A/C	50,000
	2,20,000		2,20,000

The following scheme of reconstruction was sanctioned.

1. The equity shares be reduced to an equal number of Rs. 5 each
2. The preference shares be reduced to an equal number of Rs.75 each.
3. Sundry creditors have agreed to reduce their claim by 15%.
4. To write off profit & Loss A/c and Goodwill.

Give Journal Entries.

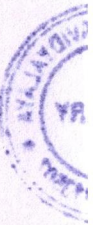
Q.5 On 1st April 2018 'A' Co Ltd. acquired the entire share capital of 'B' Co. Ltd. of 15 the par value of Rs. 20000 for Rs. 30000 on that date the Reserve and surplus appeared in the Balance sheet of 'B' Ltd. at Rs.5000

On 31 March 2019 the following items, Among others, appeared in the Balance sheet of 'B' Ltd. "Reserve and surplus Rs. 10,000. Stock Rs. 20,000.

The stock include Rs. 10,000 purchased from 'A' Co. Ltd. on which later co. Charged profit 25% on cost.

show (with detailed working) how the items:

- 1) Goodwill
- 2) Reserve and surplus of 'B' Co. Ltd
- 3) Stock of 'B' Co. Ltd.



Q.6 Cello co. Ltd. went in to voluntary liquidation. Following is the Balance sheet of the company prepared after the realisation of assets. **15**

Liabilities	Rs.	Assets	Rs.
Share capital 2000 A' Equity Shares Rs. 100 each Fully paid	2,00,000	Cash	3,50,000
3000 'B' Equity shares Rs 100 each, Rs. 80 paid up	2,40,000	Profit & Loss A/C	4,12,000
2000 'C' Equity shares of Rs. 100 each Rs. 60 paid up	1,20,000		
1500, 8%. Preference shares of Rs. 100 each.	1,50,000		
Sundry creditors	40,000		
Arrears of preference share Divident	12,000		
	7,62,000		7,62,000

Liquidators' remuneration amounted to Rs. 8000. A call of Rs. 20 per share made on the 'C' Equity shares. This was paid by all, with the exception of one shareholders owing 100 shares.

Prepare Liquidators statement of Account.

Q.7 Write short notes (any three)

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- 1) Creditor
- 2) Capital Reserve
- 3) Statutory Reserve
- 4) Net Assets method
- 5) Member's Voluntary liquidation.