

Seat No.

Total No. of Pages : 4

Oct.-Nov. 2024 Examination
B. Com. (Part-II) (Semester-IV)
Corporate Accounting (Paper II)
Subject Code : 73521

Day and Date : Thursday, 05-12-2024

Total Marks : 40

Time : 02:30 pm to 04:00 pm

Instruction :

1. all questions are compulsory.
2. Figurers to the right indicate marks.

Q. 1 Short answer question.

- a) What are profit Prior to and after incorporation? Explain with and example. (5)

OR

- a) What is mean by time ratio and sales ratio? (5)
- b) XYZ Ltd incorporated on 1st Augest 2022 to take over the running business of Rashama from 1st April 2022. The profit and loss A/c for the year ended 31st March 2023 is as follows.

Profit and Loss Account

Particular	Amount	Particular	Amount
To Rent, Insurance & Taxes	30000	By Gross Profit	320,000
To Salaries	94800		
To Director Fees	9200		
To Commission	141000		
To Preliminary Expenses	13000		
To Bad Debts	4000		
To Net Profit	28000		
	320,000		320,000

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The total turnover for the year ending 31st March 2023 was Rs 10,00,000 divided into Rs 300000 for the period up to 1" August 2022 and Rs 700000 for remaining period.

Prepare a statement showing profit prior to and after incorporation of XYZ Ltd. (5)

- b) Lion Ltd. was incorporated on 1/8/2020 to take over the running business of M/s Tiger with assets from 1/4/2020. The accounts of the company were closed 31/3/2021.

OR

The average monthly sales during the first four months of the year 2020-21 were twice the average monthly sales during the remaining eight months.\

Purchase price which was fixed Rs 1200000 was paid on 1/10/2020 with the interest at 6% p.a

Calculate 1) Time Ratio 2) Sales Ratio 3) interest in purchase price 4) Ratio to distribute interest on purchase price. (5)

- Q.2 a) which factors affect the valuation of shares? (5)

OR

- a) What is the need of valuation of shares? (5)

- b) From the following balance sheet of Swati Ltd you are asked to ascertain the value of each equity shares of the company.

Liabilities	Amount	Assets	Amount
5000 Equity shares of 100each	500000	Land & Building	300000
Profit and Loss A/c	450000	Plant & Machinery	600000
Capital Reserve	150000	Investment in shares	250000
General Reserve	180000	Stock	150000
8% Debentures	220000	Sundry Debtors	240000
Sundry Creditors	250000	Bank Balance	210000
	1750000		1750000

Additional Information-

1. Land & building, plant & machinery were revalued at 150% & 120% respectively
2. The value of shares purchased by the company is fallen down (reduced) at 20% in the market.
3. Stock is valued at Rs 200000 and debtors subject to a deduction at 5% for bad debts.
4. Managers remuneration Rs 8000 is payable.

Ascertain the intrinsic value of shares.

(5)

OR

- b) From the following information of Patil Ltd calculate the value of each equity shares on the basis of rate of dividend (Rate of return)

1. Equity shares capital -20000 shares of 100 each, Rs 80 paid up.
2. 9% Preference share capital-25000 shares of 100 each fully paid
3. Net Profit before tax Rs 1000000
4. Rate of tax-40%
5. 10% profit transfer to reserve
6. Normal rate of return (dividend) in the same industry is 14%

(5)

Q.3 a) Give details of Liquidators final statement of account.

(5)

OR

- a) Explain the concept of Liquidators Remuneration

(5)

- b) PVC Company Ltd went into voluntary liquidation as on 30/9/2022. The following is the balance sheet as on that date. **(10)**

Liabilities	Amount	Assets	Amount
Shares Capital in 13400 equity shares	134000	Machinery	250000
Loan Secured by Machinery	200000	Furniture & fixture	25000
Preferential Creditors	24000	Sundry Debtors	75000
Unsecured Creditors	28000	Cash & bank balance	4000
		Profit & loss A/c	32000
	386000		386000

The Liquidators was appointed on the term that he was entitled to a commission at 2% on Assets realized by him and 3% payment to Unsecured Creditors.

The Liquidators realized assets as-

Machinery- Rs 205000

Furniture & Fixtures- Rs 35000

Sundry Debtors- Rs 36000

He incurred expenses of Rs 7520 to carry out the process of liquidation.

Prepare Liquidators final statement of Account.

Q.4 Short answer question.

(5)

- a) Importance of material management

OR

- a) Inventory Control

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