

[A-4-E] Seat No. _____

No. of printed pages : 3

SARDAR PATEL UNIVERSITY
B. Com. (IV Semester) Examination
Friday, 13th May 2016
10.30 am - 12.30 pm

UB04ECOM01/17 : Advanced Accounting (Corporate Accounting) - II

Total Marks: 60

Note : Figure to the right indicates full marks.

- Q.1 Neel Ltd. and Jeet Ltd. decided to amalgamate on 1st April 2012. A New company called Janu Ltd. was incorporated to take over the business of both the companies. The balance sheets of both amalgamating companies as on 31st March 2012 were as follows : (15)

Liabilities	Neel Ltd. (Rs.)	Jeet Ltd. (Rs.)	Assets	Neel Ltd. (Rs.)	Jeet Ltd. (Rs.)
Equity Shares of Rs. 100 each	200000	300000	Goodwill	--	25000
Reserve fund	--	75000	Land & Bldg	40000	150000
P & L A/C	--	40000	Plant & Machine	60000	125000
Sundry Creditors	51000	37000	Stock	20000	50000
			Debtors	70000	100000
			Cash on hand	11000	--
			Prepared exp.	--	2000
			P&L A/C	50000	--
	251000	452000		251000	452000

The new company issues its equity shares of Rs. 10 each in payment of purchase consideration. It also issues 10000 shares to a public at 10% premium which are subscribed and paid in full. The preliminary expenses amounted to Rs. 10000. The liquidation expenses were Rs. 8000 and Rs. 2000 for Neel Ltd. and Jeet Ltd. respectively.

Pass the journal entries in the books of new company. Calculations are the part of your answer.

OR

- Q.1 From the details given as in Q.1 above prepare necessary ledger accounts to close the books of Neel Ltd. (15)

- Q.2 On 31st March 2012 the Balance Sheet of Rupa Ltd. is as follows : (15)

Liabilities	(Rs.)	Assets	(Rs.)
Eq. Shares of Rs. 100	1600000	Goodwill	350000
12000, 8% preference Shares	1200000	Patents	250000
10% Debentures	400000	Land & Building	800000
O/s interest on debentures	80000	Plant & Machine	600000
Sundry Creditors	320000	Stock	400000
		Debtors	420000
		Bill receivable	120000
		Bank balance	180000
		Preliminary exps.	280000
		P & L A/c	200000
	3600000		3600000

The following scheme of reconstruction is sanctioned and implemented :

- (1) Each equity share to be reduced to Rs. 20
- (2) Each preference share to be reduced by Rs. 40
- (3) Write off all intangible assets
- (4) Debenture-holders waived their outstanding interest
- (5) Write off Land & Building, Plant & Machine and Stock by 40%, 30% and 20% respectively.
- (6) Bad debts is to be written off by Rs. 60000.

Write journal entries to implement the above scheme.

OR

Q.2 Following is the balance sheet of Parth Ltd. as on 31st March 2012.

(15)

Liabilities	(Rs.)	Assets	(Rs.)
50000 Eq. Shares	500000	Goodwill	70000
8% 2000 cum. pref. Shares	200000	Land & Building	375000
10% Debentures	150000	Machinery	80000
Bank Loan	85000	Patent & Trade Mark	35000
Director's Loan	40000	Investments	55000
Creditors	200000	Stock	60000
		Debtors	200000
		Discount on shares	35000
		Profit & Loss A/C	265000
	1175000		1175000

The following scheme of capital reduction was approved by court :

- (A) Preference shares are to be reduced to Rs. 60 each.
- (B) Each equity share to be reduced by Rs. 7 each.
- (C) On preference shares the dividend from 1st April 2008 has not been declared and paid. Of the preference dividend in arrears, one-fourth is to be paid by allotting equity shares while remaining is to be waived.
- (D) Investments are realised for Rs. 91000.
- (E) Director's accepts settlement of his loan as to 80% there of by allotment of equity shares, as to 10% in cash and the balance being forgo.
- (F) Intangible and fictitious assets and debt balance of P & L A/C are to be written off.
- (G) The remaining amount is to be utilised in writting down machinery and stock in the proportion 4 : 3

Record the above transaction in the books of a company.

Q.3 Gafel Ltd. went into voluntary liquidation on 31st March 2012. Its position was as follows :

(15)

(i)	600000 Eq. Shares of Rs. 10 each, Rs. 5 per share paid up.	3000000
(ii)	400000 Eq. shares of Rs. 10, Rs. 8 per share paid up.	3200000
(iii)	Fully secured creditors 572000 Preferential Creditors 200000 13% Debentures 800000	1572000
(iv)	Liquidation expenses incurred	8000
(v)	Liquidator's Remuneration (Rs. 60000 on realisation of assets at 2.5% and Rs. 60000 for payments to unsecured creditors including preferential creditors at 5%)	120000

From the above information prepare final statement of Receipts and Payments.

OR

Q.3

(A) Give a list of preferential creditors under the Company Act. (06)

(B) The share capital of Ekta Ltd. on 31-3-2012 when it went into liquidation was as follows: (09)

- (i) 8% pref. shares of Rs. 100 each fully paid up Rs. = Rs. 100000
- (ii) 2000 'A' Eq. shares of Rs. 100 each, fully paid-up = Rs. 200000
- (iii) 3000 'B' Eq. shares of Rs. 50 each, Rs. 40 paid-up = Rs. 120000
- (iv) 4000 'C' Eq. shares of Rs. 10 each, Rs. 6 paid-up = Rs. 24000
- (v) 5000 'D' Eq. shares of Rs. 5 each, Rs. 4 paid-up = Rs. 20000

All the outside liabilities were paid off.

The cash left on the hand of liquidator is Rs. 215000. You are required to distribute these cash among shareholders and draw the statement of receipts and payments.

Q.4 From the following information, prepare a consolidated Balance Sheet. (15)

Balance Sheet as on 31st December 2012

Liabilities	M Ltd. (Rs.)	L Ltd. (Rs.)	Assets	M Ltd. (Rs.)	L Ltd. (Rs.)
Shares of Rs. 100	200000	100000	Sundry assets	200000	150000
Reserve	50000	20000	Investments	80000	--
Profit & Loss A/C	20000	10000	[600 shares of L Ltd.]		
Creditors	25000	25000	Debtors	15000	5000
	295000	155000		295000	155000

M Ltd. acquired shares in L Ltd. on 1st January, 2012 when reserve of L Ltd. stood at Rs. 4000 and its profit & Loss account (Credit) was Rs. 5000.

OR

Q.4 From the Balance Sheets given under, prepare a consolidated balance sheet of R Ltd. and N Ltd. (15)

Liabilities	R Ltd. (Rs.)	N Ltd. (Rs.)	Assets	R Ltd. (Rs.)	N Ltd. (Rs.)
Shares of Rs. 20	360000	90000	Freehold Land	216000	75000
Gen. Reserve	75000	18000	P & M	90000	30000
P & L A/C	36000	27000	Investment	75000	--
Creditors	45000	15000	[3000 shares of N Ltd.]		
			Stock	54000	9000
			Debtors	81000	36000
	516000	150000		516000	150000

At the date of acquisition by R Ltd. of 3000 shares in N Ltd. the latter company had undistributed profit and reserves of Rs. 15000.
