



SHREE H. N. SHUKLA COLLEGE OF I.T. & MGMT.

(AFFILIATED TO SAURASHTRA UNIVERSITY, GTU & Swarnim Gujarat Sports University)

3- Vaishalinagar
Nr. Amrapali Under Bridge
Raiya Road, Rajkot – 360001
Ph. No–(0281)2471645

2 – Vaishalinagar
Nr. Amrapali Under Bridge
Raiya Road, Rajkot - 360001
Ph.No–(0281)2440478, 2472590

ASSIGNMENT PAPER 2023
SUBJECT: Corporate accounting

S.Y.B.Com – 4
MARKS: 70

Q-1. The following are the Balance sheet of two companies Sager ltd. and Sarita ltd. on 31 -03-2021 :
(20 Marks)

Sager limited

Particular	Note	RS.
I. Equity & Liabilities :-		
1. Shareholder Funds :		
a. Share capital :		
50,000 Equity Share capital		5,00,000
2. Non-current liabilities :		
a. Long term Borrowing : 5% debenture		70,000
3. Current liabilities :		
a. Trade payable :		1,20,000
Sundry creditors		30,000
Bills payable		10,000
b. Other current liabilities : Bank overdraft		
	Total	7,30,000
II. Assets :		
1. Non-current assets :		
a. Fixed assets :		
i. Tangible assets :		
Machinery		1,20,000
Building		2,15,000
b. Other non-current assets :		1,50,000
Profit & loss A/C		
2. Current Assets :		
a. Inventories: stock		1,50,000
b. Trade receivables : debenture		95,000
(1,00,000 – 5,000 Bed debts reserve)		
	Total	7,30,000

Sarita Limited

Particular	Note	RS.
I. Equity & Liabilities :		
1. Shareholders' funds :		
a. Share capital : 1,50,000 Equity share of RS. 10 each		
	1,50,000	
Add : forfeited Shares	2,000	15,02,000
b. Reserve and surplus :		
Profit and loss A/C		1,00,000



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Divided Equalisation Fund		60,000
Reserve fund		1,00,000
2. Non-current Liabilities :		
a. Long term borrowing : 7% debenture		3,50,000
3. Current liabilities :		
a. Trade payable :		
Creditor		60,000
Bills payable		6,000
Total		21,78,000
II. Assets :		
1. Non-current Assets :		
a. Fixed assets		
i. Tangible assets		
Machinery		3,50,000
Building		4,50,000
Furniture		1,00,000
ii. Intangible assets : Goodwill		1,00,000
iii. Current Assets :		
a. Inventories : stock		6,82,000
b. Trade receivable : debtors		3,50,000
c. Cash and cash equivalents : bank balance		1,46,000
Total		21,78,000

The two companies decided to amalgamate as on 1st April, 2021 and a new company called sangam Ltd. was formed with an authorized capital of RS. 30,00,000 in share of RS. 10 each.

New company took over all assets and liabilities of sager Ltd. and Sarita Ltd. at their book values and the following terms for purchases of business were agreed upon:

Sager Ltd. :

1. The consideration was 3 shares of RS. 10 each fully paid in the new company in exchange for every 5 shares in sager Ltd.
2. The debentures of sager Ltd. were to be allotted such debenture in the new company bearing interest at 5% as would bring them the same amount of interest.
3. RS. 2,000 to be paid in cash.

Sarita Ltd. :

1. The consideration was 6 shares of RS. 10 each fully paid in the new company in exchange for every 5 shares in sarita Ltd.
2. The debentures of sarita Ltd. were to be allotted such debenture in the new company bearing interest at 5% as would bring them the same amount of interest.
3. RS. 6 in cash for every 5 shares in sarita Ltd.



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Costs of liquidation of sager Ltd. RS.200 and RS. 1,200 sarita Ltd. are to be paid by new co.

Sangam Ltd. issued the remaining shares to the public at a premium od RS. 1 per, share which were fully paid.

You are required to write journal entries in the books of new company and prepare ots initial balance sheet. Also prepare necessary accounts in the books of sarita Ltd.

“OR”

Q-1. The following balance sheet of P Ltd. and V Ltd. as on 31st March, 2021 :

(20 Marks)

Hiran Limited

Particular	P Ltd. RS.	V Ltd. RS
I. Equity & Liabilities :		
1. Shareholders funds :		
a. Share capital :		
Equity share capital of RS. 10 each	9,00,000	3,00,000
12% pref. share capital of RS. 100 each	5,00,000	1,00,000
b. Reserve and surplus :General reserve	60,000	80,000
2. Current liabilities :		
A. trade payables : creditors	40,000	20,000
II. assets		
1. non-current assets :		
a. Fixed assets :		
i. Tangible assets :		
Plant & machinery	5,00,000	1,00,000
Other fixed assets	5,00,000	1,00,000
2. Current assets :		
a. Inventories : stock	1,40,000	90,000
b. Trade reveivables : debtors	1,95,000	1,20,000
c. Cash balance	1,65,000	90,000
Total	15,00,000	5,00,000

On the above data P Ltd. takes over the business of V Ltd. on the following terms. :

1. Plant and machinery, other fixed assets and stock of V Ltd. were valued at RS. 90,000, 40,000 and 80,000 respectively.
2. Issued 15% pref. shares of RS. 100 each to discharge the pref. shareholders of V Ltd. at 10% premium.
3. RS. 65,000 paid in cash to the equity shareholders of V Ltd.
4. Remaining amount of purchase consideration was discharge by the issue of equity share of RS. 10 each at RS. 15 per share.



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You are required to close the books of V Ltd. by preparing realization Account, 12% pref. shareholders' account and Equity shareholder Account. Pass necessary journal entries in the books of P Ltd. assuming the amalgamation in the nature of purchase and redraft the balance sheet of P Ltd. after amalgamation.

Q-2. The Balance sheet of A co. Ltd. as on 31-03-'21 is as follow. (20 Marks)

Particular	Note	RS.
I. Equity & Liabilities :		
1. Shareholders' funds :		
a. Share capital :		
5,000 8% cumulative pref. shares, of RS. 10 each		50,000
20,000 equity shares of RS. 10 each		2,00,000
2. Non-current liabilities :		
a. Long term borrowing : 12% debentures		1,00,000
b. Long term provisions : provident fund		5,000
3. Current liabilities :		
a. Trade payables :		
Creditors		30,000
Bills payables		2,000
Total		3,87,000
II. Assets :		
1. Non current assets :		
a. Fixed assets :		
i. Tangible assets :		
Land and building		1,00,000
Plant and machinery		1,50,000
Furniture		5,000
ii. Intangible Assets :		
Goodwill		20,000
Patents		2,000
b. Other non – current assets		
P & L A/C		23,500
2. Current assets :		
a. Inventories : stock		
Inventories : stock		30,000
b. Trade receivables : debtors (50,000- 1,000 B.D.R)		
Trade receivables : debtors (50,000- 1,000 B.D.R)		49,000
c. Cash balance		
Cash balance		4,500
Total		3,87,000

A co. Ltd. absorbed by B co. Ltd. as per the following condition :



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1. Pref. shareholders should be given four non- cumulative 8% pref. shares RS. 10 each in B Ltd. for every 5 shares held by them. They should also be paid RS. 4,000 in cash by B Ltd. in full settlement of their arrears of dividend.
2. Equity shareholders should be given four equity shares of RS. 10 each in B co. Ltd. for every five shares held by them.
3. Debenture-holders should be given 10% Debentures in B co. Ltd. of such value as to give them interest annually, which they use to receive earlier.
4. B co. Ltd. should taken over all assets and liabilities of A co. Ltd. For this purpose land & building and plan & machinery be taken at RS.90,000 and RS. 1,30,000 respectively. Patents are valueless. Provision for Bed debts is to be calculated at 5% in debtors.

Draw necessary accounts in the books of A co. Ltd. and pass necessary journal entries in the books of B co. Ltd.

“OR”

Q-2. The following is the balance sheet of Suvas Ltd. as on 31st march, 2021: (20)

Particular	Note	RS.
I. Equity & Liabilities :		
1. Shareholders fund :		
a. Share capital :		
8% 2,000 pref. shares of RS. 100 each		2,00,000
6,000 equity shares of RS. 100 each		6,00,000
b. Reserve and surplus :		
General reserve		50,000
Profit & Loss A/C		40,000
2. Non-current Liabilities :		
a. Long term borrowings : 10% debentures		1,50,000
3. Current liabilities : creditors		60,000
	Total	11,00,000
II. Assets :		
1. Non-current assets :		
a. Fixed assets		
i. Tangible Assets :		
Building		5,00,000
Machinery		2,50,000
ii. Intangible Assets : Goodwill		80,000
b. Non-current investments :		1,00,000
c. Other non-current Assets :		
Discount on debenture		10,000
d. Preliminary expenses		40,000
2. Current Assets :		70,000



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a. Inventories : stock		25,000
b. Trade receivables : Debtors		25,000
c. Cash balance :		11,00,000
Total		

On the 1st April, 2021, Suvidha Ltd. absorbed suvas Ltd. with the following Conditions :

1. Suvidha Ltd. took over the tangible assets except cash, bank balance and investment. It also took over creditors.
2. The Equity Shareholders of suvas Ltd. were to be allotted five Equity shares of suvidha Ltd. of RS. 10 each at a market price of RS. 12 per shares for every shares held buy Equity shareholders. Liquidation expenses RS. 7,000 were to be met by suvidha company.
3. The pref. shareholders of suvas Ltd. were ti be allotted eight Equity shares of suvidha Ltd. of RS. 10 each at a market price of RS. 12 per shares, for every shares held by pref. shareholders.
4. Investments were sold for RS. 82,000.
5. The debenture-holders of suvas Ltd. were to be allotted 10% debentures f suvidha Ltd. in such a way that debenture holders get 20% premium.
6. Suvidha Ltd. took stock at RS. 62,000, machineries at 2,10,000 and a provision for doubtful debts equle to 5% on sundry debtors.

Show the following accounts in the books of suvas Ltd. :

1. Realization A/C
2. Equity shareholders A/C
3. Pref. Shareholders A/C
4. Bank A/c

Prepare balance sheet in the books of suvidha Ltd.

Q-3 A limited company was placed in voluntary Liquidation on 31-12-2019 when its Balance sheet was as under: (15 Marks)

	particular	Note	RS.
i.	Equity and Liabilities :		
	1. Shareholders, funds :		
a.	Shares capital :		
	50,000 ordinary shares of RS. 100 each fully called up		
	5,00,000		
	Less : calls in arrears		
	25,000		
	6,000 5% cum. Pref. shares of RS. 100rach fully paid up		4,75,000
	b. Reserve and surplus :Securities premium		6,00,000
	50,000		
2.	Non-current liabilities :		
a.	Long term borrowing : 5% debentures		1,00,000



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3. Current liabilities :		
a. Trade payables : creditors		1,15,000
b. Other current liabilities :		
Interest on debentures		2,500
Bank overdraft		58,000
Total		14,00,500
II. Assets :		
1. Non-current assets :		
a. Fixed assets :		
i. Tangible assets		
Freehold factory		5,80,000
Plant & machinery		2,89,000
Motor vehicles		57,500
b. Other non-current assets : P & L A/C		2,14,000
2. Current assets :-		
a. Inventories : Stock		1,86,000
b. Trade receivables : Debtors		74,000
Total		14,00,500

The pref. shares dividends are in arrears as form 01-01-'16.

The company's articles provide that on liquidation out of the surplus assets remaining after payment of liquidation out of the Liabilities, there shall be paid firstly all arrears of pref. divided. Secondly the amount paid up on the pref. shares together with a premium thereon of RS. 12.50 per share. Thirdly the balance then remaining shall be paid to the ordinary shareholders.

The liquidator realized the assets as follow : Freehold Factory RS. 7,00,000; plant & machinery RS. 2,40,000; motor car RS.59,000; stock RS. 1,50,000; Debtors RS.60,000. He duly collected the calls-in-arrears.

Creditors were paid less discount of 5% debenture and accrued interest were paid on 31-03-'20. Liquidation costs were RS. 3.750 and the liquidator's remuneration was 2.5% on the amounts realized. Prepare the liquidator's statement of amount.

“OR”

Q-3. ABC Limited went into voluntary liquidation on 30-06-'20, when its balance sheet was as under : **(15 Marks)**

Particular	Note	RS.
1. Equity & Liabilities		
1. Shareholders fund :		
a. Share capital :		
3,000 equity shares of RS.100 each fully paid		3,00,000
b. Reserve and surplus : Profit & loss A/C		3,000
2. Non-current liabilities :		



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a. Long term borrowings : 8% debenture		50,000
b. Long term provision : Provident fund		3,000
3. Current liabilities :		
a. Trade payable : creditors		2,36,500
b. Other current liabilities :		
Outstanding interest on debentures		4,000
Two months' salary of three clerk		13,500
	Total	6,10,000
II. Assets :		
1. Non-current assets :		
a. Fixed assets :		
i. Tangible assets :		
Land & Buildings		2,10,000
Machinery		1,65,000
Furniture		3,000
ii. Intangible Assets : Goodwill		25,000
2. Current assets :		
a. Inventories : stock		1,70,000
b. Trade receivable		25,000
c. Cash balance		12,000
	Total	6,10,000

Other information :

1. Debenture - holders were paid on 31st December , '20.
2. Liquidation expenses amounted to RS. 1,000.
3. The liquidator's remuneration is 2% of the amount realized by him and 4% on the amount paid to preferential creditor and 10 % on amount distributed to the equity share holders.
4. The assets realized as follows :

Land & Building	1,50,000
Machinery	1,71,000
Stock	1,55,000
Furniture	4,000
Debtors	23,000

Prepare the liquidator's Account.

Q-4. Explain the meaning of International Financial Reporting standards and also explain in concept of IFRS and also its Characteristics. (15 Marks)

“OR”

Q-4. Distinguish between International Financial Reporting standards and Indian generally Accepting Accounting Principle. (15 Marks)