

INTERNAL EXAMINATION ANSWER SHEET

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Roll No : 170323


Class : II BBA

Date : 2-04-2019

Subject : Corporate accounting I

No. of additional sheets used : 2

Signature of the invigilator : 

Signature of the student : 

Question Numbers & Marks Table

Q.No	a	b	c	d	e	f	g	h	i	j	total
1.											
2.											
3.											
4.											
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10.											
11.											
12.											
13.											
14.											
15.											
16.											
Name and Signature of the Valuator										Grand Total	43/-

Start writing from here

14. Cal. of purchase consideration of A Ltd.
Net assets.

buildings		15,000
Machinery	55,000	
(-) 10%	5500	49500
Stock	8000	
(-) 10%	800	7200
Debtors	7000	
(-) 10%	700	6300
Cash		1500
		79500

(-) Liabilities: profit provided fund 1500
 Employee creditors 5000
 Trade ~~6500~~

Total purchase consideration 73000
 (+) G.W. 5-1. 3650
~~76650~~

B. Ltd.

Building 25000.
 m/cry. 4000
 Stock 4500
 Dr. 500.
 Cash. 34000

(-) Liabilities.

Creditors.

E. provided fund

Total p. consideration 30000 + G.W. = 1500
= 31500

Realisation A/c of A Ltd.

Particular	₹	Particular	₹
To building	15000	By Building	
To m/cry.	55000	By C Ltd.	76650
To Stock	8000	By Creditors.	5000
To Dr.	7000	By E.P. fund.	1500
To cash	1500	By equity SH a/c	6000
		(Bal.)	7000
	85500		85500
	86500		86500

Realisation of B Ltd.

	₹		₹
To m/cry.	25000	By Creditors.	4000
To Stock	4000	By C Ltd.	30000
To Dr.	4500		
To cash	500		
	34000		34000

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		consideration of B. Ltd.
Cost of purchase	3,00,000	
Fixed assets	45,000	3,45,000
(+) 15-1.	1,50,000	
Current assets.	7500.	1,57,500
(+) 5-1.	2.	25,000
Cash		527,500
		25,000
(-) Bills payable		5,02,500
Total:		

11. Journal entries in the books of X. Ltd.

Particular.	₹	₹
1. Preference share capital a/c (50,000 x 10) Dr	5,00,000	
To New pre. share capital a/c (5,000 x 5)		2,50,000
To Capital reduction a/c (50,000 x 5)		2,50,000
(Being the new pre. shares are reduced & fully paid at ₹ 5 each)		
2. Equity shares capital a/c (50,000 x 10) Dr	5,00,000	
To New equity share capital (5,000 x 5)		2,50,000
To Capital reduction a/c. (50,000 x 5)		2,50,000
(Being the equity share was reduce and fully paid at ₹ 5 each)		
3 Capital reduction a/c Dr	5,00,000	
To Goodwill.		2,00,000
To Fixed assets.		1,50,000
To Investment		50,000
To preliminary exp.		25,000
To P&L a/c.		1,00,000
(Being the assets are reduced and transferred)		

31-3-2018

Sl. No.	No. of due	No. of days due	Amount	Rate of discount	Rebate on bills ^{discount}
1	5-6-2018	66	20,000	14%	1722
2	12-6-2018	73	2,18,000	14%	6104
3	25-6-2018	86	1,41,000	14%	4164651
4	6-7-2018	97	2,03,000	16%	8632
					<u>21108</u>

Journal entries.

Particulars	Dr	₹	Cr
1. Rebate on bills discounted	Dr	11080	
To int & discount a/c			11080
2. Int. & discount a/c	Dr	21,108	
To rebate on bills discount			21,108
3. Int. & discount a/c	Dr	42826	
To P&L a/c			42826
Discount received		52,854	
(+) Rebate of P.Y.		11,080	
		<u>63934</u>	
(-) Rebate of c.y.		21,108	
		<u>42,826</u>	

(14)

14. Continue.

Realisation A/c. A. Ltd.

	₹		₹
To building	15000	By c. Ltd	76650
To mery	55000	By creditor	6000
To stock	8000	By E.P. fund	1500
To Dr.	7000	By Equity SH A/c	3350
To cash	1500	(Bal. fig)	
	<u>86500</u>		<u>86500</u>

B. Ltd Realisation A/c.

	₹		₹
To mery A/c	25000	By creditors	4000
To Dr. A/c	4500	By c. Ltd.	31500
To Stock A/c	4000		
To cash A/c	500		
To Equity SH A/c (Profit)	1500		
	<u>35500</u>		<u>35500</u>

Journal entries in the books of c. Ltd.

Particular	Dr	₹	Cr	₹
1. Business purchase A/c Dr		1,08,150		
To Liquidator of A. Ltd.				76650
To Liquidator of B. Ltd.				31500
(Being purchase consideration due by the new company)				
2. Liquidator of A. Ltd	Dr	76650		
Liquidator of B. Ltd	Dr	31500		
To equity share capital A/c				1,08,150
(Being purchase consideration received by c. Ltd)				
3. Building A/c	Dr	15000		
Stock		11200		
mery		74500		

Debtors - a/c	Dr	10000.	
Cash - a/c	Dr	2000	
Goodwill - a/c → (Bal. fig)	Dr	5150	
To Emp. provided fund.			1500.
To creditors.			9000.
To business purchase			1,08,150
(Being all assets & liabilities realised)			

1. Amalgamation refers to where the two companies are under loss and they merge with the new company is called amalgamation.

eg: A & B are 2 company which are under loss and form a new Co. called ABC Ltd

2. Purchase consideration refers to that consideration where all assets are added and the liabilities are deducted from assets called Purchase consideration.

3. New Company Ltd a/c Dr
To Realisation a/c.

4. Internal reconstruction is nothing but reducing the cost of the shares, assets & any other liabilities when the company is reconstructing after loss with reduction assets & shares.

6. Interim dividend comes under capital a/c on the credit side of the capital a/c.

7- Non performing assets are nothing but where the assets are cannot be seen or touch, it is an intangible assets like goodwill etc.