



|            |  |                                |                            |                                  |             |
|------------|--|--------------------------------|----------------------------|----------------------------------|-------------|
|            | (A)18  | (B)17                          | (C)16                      | (D)20                            |             |
| i)         | The title of Indian Accounting Standard 20 is .....  |                                |                            |                                  | 1           |
|            | (A)Transaction of Share Capital  | (B)Estimated Earning of Shares | (C)Valuation of Share      | (D)Earning per Share             |             |
| j)         | If purchase consideration is less than net assets, the amount of difference is.....  |                                |                            |                                  | 1           |
|            | (A)Capital Reserve   | (B)Goodwill                    | (C)Consideration           | (D)Dissolution expense           |             |
| k)         | Net Assets ÷ No of equity shares = .....   |                                |                            |                                  | 1           |
|            | (A)Yield value of share  | (B)Intrinsic value of share    | (C)External value of share | (D)Face value of share           |             |
| l)         | When liquidation expenses is paid and borne by seller company then it is debited to.....   |                                |                            |                                  | 1           |
|            | (A)Bank A/c  | (B)Goodwill A/c                | (C)Realisation A/c         | (D)Capital Reserve A/c           |             |
| m)         | While external reconstruction, if there is a loss regarding revaluation of assets, how it would be written off in the old company?   |                                |                            |                                  | 1           |
|            | (A)To share capital Account  | (B)To P & L Accounts           | (C)To Realisation Account  | (D)To Capital Reduction Accounts |             |
| n)         | If the intrinsic values of shares exchanged are not equal, the difference is paid in.....  |                                |                            |                                  | 1           |
|            | (A)Cash  | (B)Debenture                   | (C)Pref. share             | (D)Assets                        |             |
| <b>Q-2</b> | <b>Attempt all questions</b>   |                                |                            |                                  | <b>(14)</b> |
| <b>A</b>   | Define the types of liquidation.   |                                |                            |                                  | <b>7</b>    |
| <b>B</b>   | State Company liquidator appointment, remuneration, rights and duties.   |                                |                            |                                  | <b>7</b>    |
| <b>Q-3</b> | <b>Attempt all questions</b>   |                                |                            |                                  | <b>(14)</b> |
| <b>A</b>   | Write a short note on Financial lease and its Accounting treatment.  |                                |                            |                                  | <b>7</b>    |
| <b>B</b>   | Explain borrowing costs eligible for capitalization.   |                                |                            |                                  | <b>7</b>    |
| <b>Q-4</b> | <b>Attempt all questions</b>   |                                |                            |                                  | <b>(14)</b> |
| <b>A</b>   | Hema Ltd. went into voluntary liquidation on 30-09-2002. Assets, excluding those assets mortgaged with fully secured creditors, realised Rs. 3, 50,000. Following was position:  |                                |                            |                                  | <b>7</b>    |
|            | Share Capital : 1000 equity shares of Rs. 100 each fully paid  |                                |                            | 1,00,000                         |             |
|            | Fully secured Creditors  |                                |                            |                                  |             |
|            | (Mortgaged Assets realized Rs. 40,000 )  |                                |                            | 35,000                           |             |
|            | Preferential Creditors   |                                |                            | 6,000                            |             |
|            | Unsecured Creditors  |                                |                            | 1,40,100                         |             |
|            | 12% Debenture having floating charge   |                                |                            | 2,50,000                         |             |
|            | On month's accrued interest on Debenture (Sept. 2001)  |                                |                            | 2,500                            |             |
|            | Liquidation expenses   |                                |                            | 5,000                            |             |
|            | Liquidator's remuneration  |                                |                            | 7,500                            |             |
|            | Preferential creditors include Rs. 5,000 due to workers.   |                                |                            |                                  |             |
|            | Prepare the final statement of the liquidator.   |                                |                            |                                  |             |
| <b>B</b>   | Liquidator is entitled to get remuneration at 2% of the amount realized and 3% of the amount distributed to unsecured creditors. Amount realized from the assets : Rs. 25,00,000 : out of which the following payments are made: |                                |                            |                                  | <b>7</b>    |



|                        |               |
|------------------------|---------------|
| Liquidation expenses   | Rs. 25,000    |
| Preferential Creditors | Rs. 75,000    |
| Secured Creditors      | Rs. 10,00,000 |

Compute remuneration payable to the liquidator.

**Q-5**

Jay Ltd. and Kishan Ltd. decided to amalgamate on 1<sup>st</sup> April 2011. A new company called Aman Ltd was formed to take over the business of both the companies. The Balance sheets of the two amalgamating companies as on 31<sup>st</sup> March 2011 were as follows :

**14**

**Jay Ltd**

| <b>Liabilities</b>                               | <b>Rs.</b>      | <b>Assets</b>         | <b>Rs.</b>      |
|--|-----------------|-----------------------|-----------------|
| Share capital: 2000 equity share of Rs. 100 each | 2,00,000        | Land & Building       | 40,000          |
| Creditors  | 50,000          | Machinery             | 60,000          |
| Creditors for outstanding Rent                   | 1000            | Stock                 | 20,000          |
|  |                 | Debtors               | 70,000          |
|  |                 | Cash                  | 11,000          |
|  |                 | Profit & Loss Account | 50,000          |
|  | <b>2,51,000</b> |                       | <b>2,51,000</b> |

**Kishan Ltd**

| <b>Liabilities</b>                               | <b>Rs.</b>      | <b>Assets</b>     | <b>Rs.</b>      |
|--|-----------------|-------------------|-----------------|
| Share capital: 3000 equity share of Rs. 100 each | 3,00,000        | Land & Building   | 1,50,000        |
| Creditors  | 37,000          | Machinery         | 1,25,000        |
| Reserve Fund                                     | 50,000          | Stock             | 50,000          |
| Dividend Equalisation Fund                       | 25000           | Debtors           | 1,00,000        |
| P & L Account                                    | 40,000          | Goodwill          | 25,000          |
|  |                 | Prepaid Insurance | 2000            |
|  | <b>4,52,000</b> |                   | <b>4,52,000</b> |

The new company issues its equity shares of Rs. 100 each in payment of purchase price.

You are required to prepare necessary Ledger Accounts and give Journal entries to close the books of the Aman Ltd.

**Q-6 Attempt all questions (14)**

**A** Define purpose of Amalgamation and Absorption. **7**

**B** Write a short note on Intrinsic value of share **7**

**Q-7 Attempt all questions (14)**

**A** Co. takes over the business of **B** Co. on which date the Balance sheet of **B** Co was as under. **7**



## Balance sheet

| Liabilities   | Rs.              | Assets               | Rs.              |
|---|------------------|----------------------|------------------|
| Share capital: 10,000 equity shares of Rs. 100 each fully paid up | 10,00,000        | Goodwill             | 1,50,000         |
| General Reserve   | 40,000           | Land & Building      | 2,25,000         |
| 6% Debenture  | 2,00,000         | Machinery            | 7,00,000         |
| Bank overdraft  | 50,000           | Stock                | 2,00,000         |
| Workmen's Compensation Fund                                       | 20,000           | Cash and bank        | 10,000           |
| Sundry creditors  | 45,000           | Debtors              | 50,000           |
|   |                  | Preliminary expenses | 20,000           |
|   | <b>13,55,000</b> |                      | <b>13,55,000</b> |

**A** Co agreed to take all assets, except cash and bank of **B**. Co. on the following terms:

- (1) Good will R1,80,000 (2) Land & Building Rs. 3,00,000 (3) Machinery Rs. 5,25,000 (4) Stock Rs. 1,80,000 (4) Debtors reserve to be created at 5% on Debtors.

**A** company took over all liabilities (including Debentures) of **B** Company at their book values. **A** claim of Rs. 5,000 is accepted by the company against workmen's Compensation Fund

Calculate the Purchase Consideration.

- |            |          |  |             |
|------------|----------|--|-------------|
|            | <b>B</b> | State the objectives of Segment Reporting -17.   | <b>7</b>    |
| <b>Q-8</b> |          | <b>Attempt all questions</b>   | <b>(14)</b> |
|            | <b>A</b> | Define meaning of Reconstruction and types of Reconstruction                           | <b>7</b>    |
|            | <b>B</b> | Explain the difference between Amalgamation, Absorption and Reconstruction of Company. | <b>7</b>    |

