

[A-8/A-9] Seat No. _____

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SARDAR PATEL UNIVERSITY
B.B.A. (General) (III Semester) (2010 Batch) Examination
Friday, 24th November 2017
2.00 pm – 4.00 pm

UM03CBBA02/07 - Corporate Accounting-II

Total Marks : 60

Note : Figures to the right indicate full marks of the Questions.

Q.1 Prepare profit and loss account and Balance Sheet with imaginary figures as per company Act. (15)

OR

Q.1 Following are the balances extracted from the books of Shivam Ltd. as on 31-3-2015 (15)

Particulars	Debit balance Rs.	Credit balance Rs.
Equity share capital	--	400000
Building	307200	--
Plant & Machinery	330000	--
Debtors	87000	--
12% Debentures	--	300000
P & L A/c (1-4-2014)	--	26300
Goodwill	25000	--
Bank balance	10700	--
Cash	30000	--
Bills Payable	--	37000
Creditors	--	40000
General Reserve	--	25000
Calls-in-arrears	7500	--
Interim Dividend paid	60000	--
Purchases	185000	--
Sales	--	415000
Provision for Bad debts	--	3500
Preliminary Expenses	5000	--
Productive Wages	77100	--
General expenses	6900	--
Salaries	20300	--
Bad debts	2100	--
Debenture interest paid	18000	--
Stock (1-4-2014)	75000	--
	1246800	1246800

Additional Information :

- (1) Closing stock was valued at Rs. 95000.
- (2) Depreciate plant and Machinery by 10%.
- (3) Write off Rs. 500 from preliminary expenses.

- (4) Maintain provision for Bad debts at 5% on Debtors.
 - (5) Transfer Rs. 2380 to General Reserve.
 - (6) Provide income tax @ 35% current years profit before tax is Rs. 73250.
 - (7) Authorised capital of the company was Rs. 1000000 divided in to 10000 equity shares of Rs. 100 each.
- Prepare Balance Sheet of Shivam Ltd. as on 31-3-2015

Q.2 The following were the balance sheet of Tulsi Ltd. and Gulab Ltd as on 31-12-12.

(15)

Liabilities	Tulsi Rs.	Gulab Rs.	Assets	Tulsi Rs.	Gulab Rs.
Equity share capital of Rs. 100	500000	200000	Goodwill	--	36000
General Reserve	150000	--	Land & Building	200000	75000
Worker's accident Compensation Fund	55000	--	Plant & Machinery	300000	35000
Profit & Loss A/c	30000	25000	Furniture	60000	10000
Bills payable	20000	5000	Stock	80000	30000
Creditors	25000	10000	Debtors	60000	32000
			Bank Balance	50000	22000
			Advertisement suspense A/c	30000	--
	780000	240000		780000	240000

Directors of both the companies decided that :

- (1) Both the companies should be wound up and a new company Badam Ltd. be formed to acquire assets and liabilities of both the companies.
- (2) Authorised share capital of Badam Ltd. be fixed at Rs. 600000 divided in to 6000 equity share of Rs. 100 each.
- (3) Tulsi Ltd. to be paid Rs. 700000 as purchased consideration in 4450 equity shares of Rs. 100 value to be treated as Rs. 150 per share and balance in cash.
- (4) Gulab Ltd. to be Rs. 190000 as purchase consideration in 1150 equity shares of Rs. 100 Value to be treated at Rs. 150 per share and balance in cash.
- (5) Badam Ltd issued remaining equity shares at Rs. 120 per share and were fully paid.
- (6) Liquidation expenses of both the companies totally Rs. 3000 paid by the new company.

Write necessary journal entries in the books of Badam Ltd. and prepare its Balance Sheet.

OR

- Q.2 On 1-4-2016, M Ltd. and N Ltd. agreed to amalgamate and form a new company MN Ltd. with a authorised capital of Rs. 500000 divided in to shares of Rs. 10 each. On 1-4-2016 the balance sheets of the companies stood as follows. (15)

Liabilities	M Rs.	N Rs.	Assets	M Rs.	N Rs.
Share capital			Machinery	260000	165000
Shares of Rs. 5 each	250000	150000	Stock	40000	30000
12% Debentures	--	50000	Debtors	32500	25000
Mortgage Loan	30000	--	Cash at Bank	7500	--
General Reserve	25000	--	Preliminary expenses	10000	5000
Profit & Loss A/c	22500	15000			
Sundry Creditors	22500	10000			
	350000	225000		350000	225000

MN Limited agreed to take over trade liabilities and assets (except mortgage loan and cash at bank of M Limited) of both companies the consideration being.

- (1) Discharge of the debenture of N Limited by the issue of equivalent amount of 14% debentures of MN Limited.
- (2) A cash payment of 50 paise per share of M Limited and N Limited.
- (3) Exchange of one share of Rs. 10 each at the agreed value of Rs. 14 per share of MN Limited for every two shares held in M Limited and N Limited.
- (4) MN Limited issued 5000 shares to public at Rs. 14 per share and the amount received immediately.

For the purpose of amalgamation assets of both the companies were revalued as given.

	M Ltd.	N Ltd.
Goodwill	50000	87500
Machinery	280000	150000
Stock	36000	28000
Debtors	31500	24500

Pass Journal entries in the books of MN Limited and prepare its balance sheet.

- Q.3 The following are the balance sheet of SK Ltd. (15)

Liabilities	31-3-15 Rs.	31-3-16 Rs.	Assets	31-3-15 Rs.	31-3-16 Rs.
Equity Share Capital	2400000	2400000	Fixed Assets	3480000	4020000
10% Pref. Share Capital	1200000	1200000	Stock	1320000	900000
General Reserve	720000	672000	Debtors	690000	774000
12% Debentures	600000	600000	Bills Receivable	150000	90000
Creditors	660000	600000	Bank Balance	360000	96000
Bank overdraft	300000	300000	Preliminary Expense	120000	72000
Provision for Taxation	240000	180000			
	6120000	5952000		6120000	5952000

Additional Information :

	31-3-15	31-3-16
	Rs.	Rs.
Total Sales (60% Credit Sales)	7200000	9600000
Gross Profit	2400000	3660000
Net Profit before Interest & Tax (rate of Tax at 50%)	1500000	1800000

The Stock was Rs. 1080000 on 1-4-14.
Calculate 360 days of the Year.

From the above information calculate the following ratio for both the (LS) year.

- | | |
|------------------------|--------------------------|
| (1) Net Profit | (4) Stock Turnover Ratio |
| (2) Debtors Ratio | (5) Current Ratio |
| (3) Gross Profit Ratio | (6) Debt Equity Ratio |

OR

Q.3 The balance sheet of RK Ltd. as on 31st March 2016 was as under:

Liabilities	Rs.	Assets	Rs.
200000 Equity Shares of Rs. 10 each	2000000	Goodwill	500000
13% preference shares of Rs. 100 each	1250000	Fixed Assets	3000000
14% Debentures	750000	Investment	400000
General Reserve	1050000	Stock	1125000
Profit & Loss A/c	425000	Cash balance	75000
Creditors	300000	Sundry Debtors	840000
Bank Overdraft	150000	Preliminary Exp.	60000
Outstanding Expense	75000		
	6000000		6000000

Other Information :

Total Sales (80% credit)	3400000
Less : Cost of Goods Sold	2000000
Gross Profit	1400000
Less: Operating Expenses	450000
Net Profit before 50% tax	950000

Stock as on 1st April 2010 - 875000
Days of a Year 360

From the above information, Calculate the following Ratios and analyse in brief.

- (1) Net Profit Ratio
- (2) Debtors Ratio
- (3) Operating Ratio
- (4) Return on Shareholder Fund
- (5) Debt-Equity Ratio (on the basis of long term loan)
- (6) Stock turn over ratio
- (7) Current Ratio

Q.4 The following are the balance sheet of MK Ltd. as on 31-12-2015 and 31-12-2016 (15)

Liabilities	31-12-15 Rs.	31-12-16 Rs.	Assets	31-12-15 Rs.	31-12-16 Rs.
Equity Share Capital	200000	240000	Plant & Machine	200000	250000
P & L A/c	125000	160000	Accumulated dep.	60000	80000
Debenture	150000	90000	Land	100000	80000
Creditors	30000	40000	Stock	140000	120000
			Debtors	75000	100000
			Cash	50000	60000
	505000	530000		505000	530000

Cash dividend of Rs. 25000 have been paid during the year 2016.

Prepare Schedule of Change in Working Capital and Fund flow Statement.

OR

Q.4

- (A) Prepare Cash flow statement from the above question number 4. (10)
- (B) What is cash flow statement? How does it differ from fund flow statement? (05)