

Roll No.

[45]

SARDAR PATEL UNIVERSITY

B.B.A. (ITM) (SEMESTER: III) EXAMINATION

2017

Monday, 20th November

02:00 P.M. To 04:00 P.M.

UM03CBB108: CORPORATE ACCOUNTING - II

Total Marks: 60

Note: 1. Figures to the right indicate full marks of question.

2. All questions carry equal marks.

3. Working notes are the part of answer.

- Q-1 Prepare profit & loss account of a company as per revised schedule-VI of companies [15]
Act with imaginary figures along with necessary notes.

OR

- Q-1 Following are the balances extracted on 31st March 2017 from the books of PRC Ltd. [15]

Debit Balance	Rs.	Credit Balances	Rs.
Calls in arrears	5,000	Forfeited Shares A/C	10,000
Deposit with suppliers	40,000	Equity share Capital	3,50,000
Land & Buildings (Cost Rs. 4,00,000)	3,00,000	Capital Redemption Reserve Fund	50,000
Plant & Machinery (Cost Rs. 3,50,000)	2,80,000	Share premium A/C	30,000
Goodwill	20,000	P & L A/C	10,000
Equity shares of A Ltd Rs. 10 each, Rs. 6 per share paid up	24,000	General reserve	70,000
Remittances in transit	10,000	Bank Loan(secured by stock)	50,000
Debtors	70,000	Interest accrued but not due on loan	4,000
Interest accrued on Investments	15,000	Unclaimed dividend	5,000
Closing stock	75,000	Proposed dividend	36,000
Loose tools	5,000	15% Debentures	1,00,000
Furniture & fittings (cost Rs. 25,000)	15,000	Bad Debts Reserve	5,000
Cash and Bank	25,000	Creditors	40,000
Prepared Insurance	2,000	Provision for taxation	14,000
Share issue expenses	18,000	Loan from subsidiary company	20,000
Equity share in subsidiary company (fully paid)	60,000	Bank overdraft	50,000
Store & spare parts	10,000	Dividend equalization fund	40,000
		Outstanding expenses	10,000
		Fixed deposit accepted	80,000
Total	9,74,000	Total	9,74,000

After taking into account the following information you are required to prepare the Balance Sheet as on 31st March 2017 (in vertical form with necessary notes) as per Revised schedule VI

1. Authorized capital of the Company consists of 1, 00,000 equity share of Rs. 10 each and 1,000, 10% Redeemable pref. share of Rs. 100 each.

- Of the issued and paid-up capital 500 Equity shares are allotted as fully paid up pursuant to Contract for consideration other than cash.
- Calls in arrears include Rs. 1000 from Directors.
- During the year Rs. 10,000 and Rs. 5000 have been transferred to General Reserve and Dividend Equalization fund respectively.
- Sundry Debtors include Rs. 5000 for more than six months.
- During the year additions have been made to Buildings A/C Rs. 50,000 and to plant & machinery A/C Rs. 30,000.
- Bills Receivable for Rs. 10,000 maturing after 31st March 2017 has been discounted with the bank.

Q-2

GOPI Ltd and GITA Ltd decided to amalgamate their business. A new company called **SARITA Ltd.** was formed to take over the whole business of both companies. The balance sheet of GOPI Ltd. And GITA Ltd. as on 31st December, 2016 stood as under:

Liabilities	GOPI Ltd(Rs.)	GITA Ltd(Rs.)	Assets	GOPI Ltd(Rs.)	GITA Ltd(Rs.)
Equity shares capital of Rs 10 each up.	12,00,000	18,00,000	Factory	6,00,000	20,00,000
General Reserve	-	4,00,000	Stock	1,20,000	1,50,000
Insurance Fund	-	1,50,000	Bills Receivables	20,000	12,000
Creditors	1,20,000	1,00,000	Bank	66,000	1,00,000
Bank Overdraft	80,000	2,62,000	Debtors	4,00,000	3,00,000
Bills Payable	1,00,000	-	Advances	-	1,50,000
O/S Salary	6,000	-	Advertising Suspense	1,50,000	-
			P&L A/c	1,50,000	
	15,06,000	27,12,000		15,06,000	27,12,000

Purchase Consideration was to be satisfied as under:

- In case of GOPI ltd. by allotment of 1,00,000 equity shares of Rs. 10 each at 10% premium and the balance in cash.
- In case of GITA ltd. by allotment of 3,00,000 equity shares of Rs. 10 each at 10% premium.

Pass necessary journal entries and Balance sheet in the books of SARITA Ltd.

OR

Q-2

Radhe Ltd. and Gopi Ltd. whose businesses are of similar nature, have agreed to amalgamated on 1st January, 2017 and form a new company **KISHAN Ltd.** The authorized capital is Rs. 10,00,000 comprising equity shares of Rs 10 each. Their balance sheet as on 31st December, 2016 stood as under:

Liabilities	Radhe Ltd(Rs.)	Gopi Ltd(Rs.)	Assets	Radhe Ltd(Rs.)	Gopi Ltd(Rs.)
Share capital of Rs. 10 each	1,00,000	1,00,000	Land & building	50,000	50,000
Reserves	90,000	1,00,000	Plant & Machinery	1,00,000	80,000
Creditors	40,000	60,000	Stock	55,000	65,000
BOD	20,000	10,000	Debtors	30,000	40,000
			Cash	15,000	35,000
	2,50,000	2,70,000		2,50,000	2,70,000

Additional Information:

- Fixed assets of both the companies are taken at 10% higher price than book value of both the companies.