

[10]

Wednesday, 28th March 2018

Company Accounts (UB02CCOH02)

Time: 10:00 A.M. To 12:00 O'clock

Total Marks: 60

Q-1 What is financial statements? Discuss characteristics, purpose and limitations of financial statements. (15)

OR

Q-1 Write detailed note on: (15)

- 1) Comparative statement analysis
- 2) Common Size Statement analysis

Q-2(A) Define Balance sheet. Discuss functions and limitations of Balance sheet. (08)

Q-2(B) Explain the methods of arrangement of Assets & Liabilities in the Balance Sheet. (07)

OR

Q-2 Following are the balances appear in the books of Metalic Ltd. as on 31-3-2017. (15)

	Rs.		Rs.
Equity share capital	1200000	Workmen's profit sharing fund	20,000
Preference Shares	300000	Bank Loan (for 7 years)	300000
Preliminary Expenses	5000	Debenture discount	5000
Debtors	200000	Provident fund	18000
Creditors	240000	Stock	200000
Bank Overdraft	25000	General Reserves	200000
Cash on hand	20000	Capital Reserve	60000
Bills receivables	12000	Profit and Loss A/c (Cr)	15000
Bills Payable	10000	Sinking Fund	80000
8% Debentures	300000		
Workmen Compensation Fund	10000		

Q-3(A) Explain types of Shares and discuss provisions relating to issue of shares at discount. (07)

Q-3(B) A limited makes a public issue of 1,00,000 Equity Shares of Rs. 10 each at a discount of Re. 2 per share, payable as follows; (08)

On application – Rs. 2

allotment – Rs. 3

On First Call – Rs. 4

On Second Call – Rs. 3

Applications were received for 1,20,000 shares out of which 20,000 application rejected and money returned to applicant. Sunil holding 1,000 shares does not pay the second call. His shares are forfeited. Out of these forfeited shares, 500 shares are reissued as fully paid up at Rs. 5 per share.

Make necessary journal entries

OR

Q-3 Eastern Company Limited issued 60,000 shares each of Rs. 10 at a premium of Rs.3 per share payable as follows (15)

On Application Rs.3 per share

On Allotment (including premium) Rs.5 per share

On first call Rs.3

(1)

C.P.T.O.)

On final call Rs. 2

Applications were received for 80,000 shares and the directors allotted the shares as follows :

- Applicants for 40,000 shares received shares, in full.
- Applicants for 30,000 shares received an allotment of 20,000 shares.
- Money returned to Applicants of 10,000 shares.

All amounts due on allotment were received.

The first call was duly made and the money was received with the exception of the call due on 100 shares. His shares are forfeited and reissued as fully paid up at Rs. 8 per share.

Give journal and cash book entries to record these transactions of the company.

Q-4

Following is the Trial Balance of Vina Limited as on 31-3-2017, you are required to prepare (15)
Trading Account, Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as on that date.

Debit Balances	Rs.	Credit Balances	Rs.
Stock (1-4-2016)	400,000	Equity Share Capital	1,000,000
Plant and Machinery	100,000	8% Debentures	100,000
Land and Building	290,000	Sales	1,900,000
Furniture and Fittings	520,000	Purchase return	10,000
Purchase	1,376,000	Discount received	8,000
Wages	40,000	Commission	15,000
Carriage inward	22,500	Bills payables	7,000
Sales return	18,500	Creditors	40,000
Discount	2,000		
Salary	75,000		
Advertisement expenses	12,500		
Rent and taxes	10,000		
General expenses	7,500		
Stationery and printing	10,500		
Cash on hand	500		
Bills receivables	10,000		
Debtors	100,000		
Bank Balance	85,000		
	3,080,000		30,80,000

Additional Information:

- Closing stock as on 31st March 2016 Rs. 3,00,000
- Provide depreciation as under; Land and Building 10%, Furniture and Fittings 5% and 20% on Plant and Machinery
- Interest on debenture is outstanding for one year.
- Provide 10% for Bad debt reserve.
- Transfer Rs. 2,000 to general reserve.
- Company has declared 10% dividend on equity shares.

OR

Q-4

Give the pro-forma of company final accounts in horizontal form as per schedule VI of companies act 1956. (15)

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(2)