

[A-16] Seat No. \_\_\_\_\_

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**SARDAR PATEL UNIVERSITY**  
**B. Com. (III<sup>rd</sup> Semester) Examination**  
**17<sup>th</sup> Oct. 2016 (Monday)**  
**2.00 pm – 4.00 pm**  
**UB03ECOM01 : Corporate Accounting - III**

**Total Marks : 60**

Note : Figures to the right indicates full marks of the question.

- Q.1 You are required to prepare Profit & Loss Account & Vertical Balance Sheet for the(15) year 2015.

	Rs.		Rs.
6% Debenture (Redeemable on 31-12-24)	45000	Bad debts	510
Bank Over Draft	450	Debenture Interest	1350
Securities Premium	2200	Debenture discount	750
Capital reserve	4940	Rent	1230
Bank balance	2660	Share transfer fees	60
6% Loan (1-7-15)	15000	Debenture Redemption Fund	37500
Bad debts reserve	1500	Interest on Loan	450
Sales	146820	Interest on debenture redemption fund investment	1200
Profit & Loss A/c (1-1-15)	1440	Debenture redemption fund Investments	37500
Depreciation fund (31-12-15)	30360	Stationery Stock (31-12-15)	90
Bills payable	1400	Creditors	30050
Unclaim dividend	250	Depreciation on Machinery	8250
Director's fees	300	Loose Tools	210
Insurance	450	Debtors	37500
Stationery	330	Machinery	156400
Depreciation on Building	2250	Office exp.	4980
Paid up share capital	187500	Stores	420
Wages	14400	Building	90060
Stock (1-1-15)	14630	Purchases	101850

Additional Information :

- (1) Insurance premium Rs.300 is paid for the year ending on 31-3-16.
- (2) Provide Rs.1500 for Debenture Redemption fund.
- (3) Increase Bad debts reserve by Rs.375.
- (4) Authorised capital consists of 11250 shares of Rs.20 each.
- (5) Closing stock Rs.37200. This includes defective stock which requires estimated repairing charges of Rs.1275.

**OR**

- Q.1 Draft the format as per revised schedule VI of Balance Sheet in vertical form with imaginary figures. (15)
- Q.2 Explain the meaning of financial statement and state their characteristics and objectives. (15)

**OR**

- Q.2 Write short note : (15)  
 (1) Common size statement  
 (2) Comparative statement Analysis

- Q.3 What are 'Accounting Ratio' ? Discuss its utility and limitations. (15)

OR

- Q.3 The following are the balance sheets of Asha Limited as on 31-3-15 & 31-3-16. (15)

Liabilities	31-3-15 Rs.	31-3-16 Rs.	Assets	31-3-15 Rs.	31-3-16 Rs.
Equity share capital each of Rs.10	500000	600000	Fixed assets	925000	1180000
General reserve	200000	300000	Stock	100000	120000
P & L A/c	100000	200000	Debtors	40000	100000
10% Debentures	200000	200000	Bills receivable	60000	80000
Creditors	100000	80000	Cash balance	120000	115000
Bills payable	50000	70000	Prepaid expenses	5000	5000
Bank overdraft	100000	150000			
	1250000	1600000		1250000	1600000

Additional Information :

	31-3-15 (Rs.)	31-3-16 (Rs.)
Total sales (cash sales are 2/5 of credit sales)	700000	1050000
Gross Profit	250000	400000
Net profit (Before interest & tax rate 50%)	160000	272000
Stock as on 1-4-14	Rs.80000	

From the above information calculate the following accounting ratio.

- (1) Net profit ratio (2) Debtors ratio (assume 360 days) (3) Liquid ratio  
 (4) Stock turnover ratio (5) Return on share holder's funds (6) Current ratio

Q.4

- (a) What is meant by profit prior to incorporation ? Explain its uses. (05)  
 (b) Manav Ltd. was incorporated on 01-3-15. The company took over running (10)  
 business of Shah brothers from 01-11-14. The details on 31-10-15 was as under.  
 (1) Sales during the year amounted Rs.600000 out of which sales up to 01-03-15 were Rs.250000.  
 (2) Gross profit for the year was Rs.210000  
 (3) Expenses debited to P & L account was as under :

	Rs.		Rs.
Rent	9000	Salaries	15000
Directors fees	4800	Interest on debentures	5000
Audit fees	1500	Discount on sales	3600
Depreciation	36600	General exp.	4800
Advertisement	18000	Stationery	3600
Commission on sales	6000	Bad debt	
		(of which Rs.1000 relating to period offer incorporation)	1500
		Interest to vendor up to 1 <sup>st</sup> May 15	3000

Prepare statement showing Profit prior to & after incorporation of company.

OR

Q.4 From the following information of X Ltd. find out pre and post incorporation profit. (15)

- (1) Date of purchase of business : 1-1-15.
- (2) Date of incorporation : 1-5-15.
- (3) Gross profit for the year 2015 : Rs.172900
- (4) Expenses : Salary Rs.120000, Preliminary exp. written off Rs.2700,  
Bad debts Rs.1400, Sundry exp Rs.1500
- (5) The amount of salary include Director's fees Rs.30000
- (6) Incomes : Rent received Rs.1200, Interest received Rs.600
- (7) Sales for month of January, May and August were one and half time the average sale of the year, Sales for the month of September was twice the average sale, and sales for February is one-half the average sales where sales for the remaining period were uniform.
- (8) The accounting year of the Company end on 31-12-15.

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