

[35 / A-46]

SARDAR PATEL UNIVERSITY
B.B.A. (GENERAL) SEMESTER: II EXAMINATION
2016

Saturday, 02nd April
02:30 P.M. To 04:30 P.M.

UM02CBBA04: CORPORATE ACCOUNTING - I

Total Marks: 60

- Note: 1. Figure to the right indicate full marks of question.
2. All questions carry equal marks.
3. Working notes are the part of answer.

Q-1 Following is the Trial balance of SARJ Ltd. As on 31/03/2016

[15]

Debit Balance	Amt(Rs.)	Credit Balance	Amt(Rs.)
Land and Building	3,50,000	Equity share capital of Rs. 10 each	6,40,000
Plant & Machinery	3,00,000	10% Preference Capital of Rs. 100 each	1,50,000
Discount on Debenture	44,800	Sales	12,00,000
Purchases	5,08,000	10% Debenture (Redeem on 31/03/2020)	2,40,000
Opening stock	80,000	Director's Loan	24,000
Interest on Debenture	24,000	Goods Returned	32,000
Goods Returned	61,000	Creditors	1,80,000
Debtors	2,40,000	Staff Pension Fund	16,400
Vehicles	9,000	Interest due on loan	1,000
Custom deposit	16,000	Interest and dividend	15,000
Income tax paid in advance	36,000	Forfeited Shares A/c	7,000
Administrative Expenses	1,33,000	Fixed deposit	3,000
Salary	2,02,000	General Reserve	91,600
Octroi	1,50,000	P & L a/c (01/04/2015)	20,000
Selling & distributing Exp	27,000		
Director's Fees	23,000		
Investment	1,88,000		
Loose tools	6,000		
Bills Receivables	1,40,000		
Underwriting commission	10,000		
Cash and bank	58,000		
Carriage inward	14,200		
	26,20,000		26,20,000

Prepare Final Account as per Company's Act-1956 after taking into consideration the following information.

1. The closing stock is Rs.3,00,000.
2. Provide depreciation on Plant & Machinery at 10% Land & Building at 12% and on vehicle at 15% per annum.
3. Write off 25% of underwriting commission.
4. Company transfer Rs. 1,00,000 to general reserve.
5. Direction proposed 15% dividend on equity Shares.

OR

Q-1 Prepare final accounts of joint stock company as per companies Act 1956 with imaginary figure.

[15]

Q-2 (A) Discuss the Calls in arrears and calls in advance with examples. [05]

(B) Laksh limited issued 10,200 shares of Rs.10 each at 10% discount. Applications were received for 10,000 shares. The share capital was to be collected as follows: [10]

On application	Rs.2 per share
On allotment	Rs. 2.5 per share (Discount)
On first call	Rs. 1.5 per share
On final call	Rs. 3 per share

Mr. A to whom 150 shares were allotted, did not pay first and final call money. Write journal entries in the books of company.

OR

Q-2 (A) BABA Limited issued 2,000 Equity shares of Rs.10 at a premium of Rs.2 per share, payable as under: [12]

On application	Rs.3 per share
On allotment	Rs. 5 per share (Including premium)
On first call	Rs. 2 per share
On final call	Rs. 2 per share

Applications were received for 3,200 shares from which 200 applications were refused and allotment was made pro-rata to the remaining applications. Mr. chirag to whom 200 shares were allotted failed to pay money on allotment and on call. Pass necessary journal entries in the book of BABA limited to record above transactions.

(B) Write a note on: Issue of share at Discount with example [03]

Q-3 (A) Write a note on: Types of Debentures [08]

(B) SANJU Ltd. Issued Rs. 10,00,000 Debentures at 6 % discount on 01-04-11 which are redeemable every year by Rs. 2,00,000 starting from 31-03-12. The discount on debentures is to be written off in proportion to the amount utilized every year. Make necessary calculations and prepare the debentures discount Account in the books of the company. [07]

OR

Q-3 The following were the balance in the books of SWAMI company as on 1st January, 2015. [15]

12 % Debentures	
Debentures Redemption Fund	Rs. 3,00,000
8 % D.R.F Investments	Rs. 2,25,000
	Rs. 2,25,000

Company transfers Rs. 25,000 every year to Debenture Redemption Fund Account. After receiving interest of Rs. 18,000 on investments, company sold out the said investments at 20 % profit on 31-12-2015 and debentures were redeemed at 2 % premium.

Write journal entries in the books of the company on 31-12-20015 and prepare the following account.

1. 12 % Debentures Account
2. Debenture holders Account
3. Premium on Redemption of Debentures Account
4. Deb. Red. Fund Account
5. Deb. Red Fund. Investment Account

- Q-4 (A) From the following information calculate the amount of new Equity shares of Rs. 10 each to be issued for redemption of Red. Pref. Shares. [05]

10 % Red. Pref. Shares	Rs. 4,00,000
Redemption premium	10 %
Balances shown in balance sheet:	
Profit & Loss A/c	Rs. 1,20,000
General Reserve	Rs. 74,000
Share Premium	Rs. 30,000

The company wants to issue new equity shares at 10 % discount.

- (B) The Balance Sheet of Gauri Limited as on 31/3/16 is as under: [10]

Capital & Liabilities	Amt.(Rs)	Assets	Amt.(Rs)
6000 equity shares of Rs 100 each fully paid	6,00,000	Fixed assets	5,70,000
3000 preference shares of Rs 100 each, Rs 80 paid up	2,40,000	Current assets	2,00,000
Profit & loss a/c	2,00,000	Bank	3,00,000
Creditors	30,000		
	10,70,000		10,70,000

The company issued 1600 equity shares of Rs 100 each at a premium of Rs 25 per share to redeem preference shares at 10% premium. Pass journal entries in the books of company.

OR

- Q-4 The Balance Sheet of PRC Company Limited on 1-1-2015 was as follows: [15]

Capital & Liabilities	Amt.(Rs)	Assets	Amt.(Rs)
Equity share capital (Rs. 10 each)	2,00,000	Fixed Assets	200000
10% Preference share capital (Rs. 10 each)	1,00,000	Investment	40,000
Securities Premium	8,000	Current Assets	1,60,000
General Reserve	40,000	Cash and Bank	1,00,000
Profit and Loss Account	50,000		
Liabilities	1,02,000		
	5,00,000		5,00,000

Preference shares were due for immediate redemption at 10% premium. To finance redemption, investments were sold at a profit of 25% and equity shares were issued at a premium of 20%. On 31-3-2015, it was decided to utilize balance of Divisible Profit for the issue of Bonus shares.

Pass journal entries and show balance sheet after bonus issue.

All the Best