

SEAT No. _____

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SARDAR PATEL UNIVERSITY
V.V.NAGAR
BBAITM (4 YEARS) (NC) (UM03CBB102)

Corporate Accounting – 2

Date: 01/01/2021

Time:- 10.00 to 12.00 p.m

Total marks:- 60

Note:- Attempt any four question out of 8 questions

Q.1) Prepare the Profit & loss in vertical format with imaginary figures. (15 marks)

Q.2) Trial Balance of Anil Co. Ltd. as on 31-3-2007 (15 marks)

Debit Balance	Rs.	Credit Balance	Rs.
Goodwill	4,00,000	Equity Share Capital	30,00,000
Building	14,00,000	Preference Share Capital	10,00,000
Machinery	22,00,000	Debenture Redemption Fund	2,00,000
Furniture	2,00,000	Profit & Loss App. A/c	1,00,000
Stock (31-3-07)	2,10,000	10% Debentures	4,00,000
Debtors	5,00,000	Public Deposits	94,000
Cash & Bank	3,00,000	Creditors	3,00,000
Income Tax Paid in advance	3,00,000	Bad Debts Reserve	40,000
Preliminary Expenses	24,000		
Debenture Redemption			
Fund Investment A/c	2,00,000		

Additional Information:

- Authorized Share Capital of the company is as under:
4,00,000 Equity Shares of Rs.10 each and 15% 1,00,000 preference shares of Rs.10 each.
- Debtors include debtors for Rs.40,000 for the period exceeding six months.
- Some employees have filed a suit against the company for Rs.60,000 regarding compensation for which no provision has made by the company.

You are required to prepare the Balance Sheet as on 31st March 2007 (in vertical form with necessary schedules) as per the Companies Act.1956.

Q.3) A Ltd. and B Ltd. carry on business of similar nature and it is agreed that they should amalgamate and form a new company C Ltd. The position of the two companies was as follows: (15 marks)

A Ltd.

Liabilities	Rs.	Assets	Rs.
Paid up Capital:		Debtors	75,000
900 Equity shares of Rs. 100		Stock	60,000
Each	90,000	Cash at bank	20,000
Profit & Loss Account	15,000	Goodwill	10,000
Debentures	40,000		
Creditors	20,000		
	1,65,000		1,65,000

B Ltd.

Liabilities	Rs.	Assets	Rs.
Paid up Capital:		Stock	60,000
6,000 Equity shares of Rs. 10		Debtors	30,000
each	60,000		
Profit & Loss Account	10,000		
Creditors	20,000		
	90,000		90,000

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[P.T.O.]

The average profit of the A Ltd. and B Ltd. have been Rs. 1,54,000 and Rs. 10,000 respectively. The new company agrees to take over both companies for Rs. 1,95,000 and in addition to discharge all liabilities, to pay Rs. 15,000 in cash and the balance in shares.

It was agreed that profit on the conversion was to be divided between the shareholders of A Ltd. and B Ltd. in the same proportion as the profit previously earned by them.

Write opening entries in the books of Ahmedabad Ltd. and prepare its Balance Sheet.

Q.4) Explain the purpose of amalgamation in detail.

(15marks)

Q.5) Followings are summarized Balance-Sheet of Hetvi Ltd. as on 31-03-2008 & 31-03-2009 **(15marks)**

Liabilities	31-03-08	31-03-09	Assets	31-03-08	31-03-09
Eq. Share Cap.	250000	350000	Fixed Assets	420000	540000
Reserves	70000	120000	Stock	650000	92500
10% Debentures	150000	150000	Debtors	70000	50000
Creditors	90000	75000	Cash & Bank	10000	7500
Bills Payable	10000	5000	Prepaid Expenses	5000	10000
	570000	700000		570000	700000

Additional Information:

Particulars	31-03-08	31-03-09
Sales (cash sales is 25% of credit sales)	9,00,000	13,50,000
Gross Profit	2,25,000	4,00,000

Stock as on 01-04-2007 was valued at Rs.70,000. You are required to calculate following ratios.

- (1) Stock Turn-Over Ratio
- (2) Debtors Ratio (300 Days)
- (3) Debt-Equity Ratio
- (4) Current Ratio
- (5) Proprietary Ratio

Q.6) Write a note on utility of ratio analysis and advantages of the same.

(15 marks)

Q.7)

(15 Marks)

The followings are summarized Balance Sheets of Kavni Limited

Liabilities	31/3/2004	31/3/2005	Assets	31/3/2004	31/3/2005
Equity sh. Capital	4,50,000	4,50,000	Machinery	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
Profit & Loss A/C	30,000	35,000	Stock	2,00,000	1,95,000
Capital Reserve	26,000	33,000	Bills Receivable	40,000	15,000
Debentures	-----	2,70,000	Debtors	2,00,000	4,55,000
Creditors	90,000	75,000	Bank Balance	1,59,000	1,97,000
Bills Payable	78,000	59,000			
Taxation Provision	75,000	10,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Other Information:

- (1) During the year Machinery of Rs.10,000 sold at profit and the p. of profit of same credited to Capital Reserve. There is no other amount credited to Capital Reserve during the year.
- (2) During the year Investments of Rs.8,000 were sold at Rs.8,500, and new investments of Rs.18,000 was purchased.
- (3) During the year Dividend of Rs.40,000 paid.
- (4) Provide Rs.15,000 for taxation Provision and Rs.50,000 for Depreciation on Machinery.

Prepare Fund-Flow Statement.

Q.8) Difference Between Fund Flow Statement And Cash Flow Statement

(15 marks)

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