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**SARDAR PATEL UNIVERSITY**  
**B.B.A. Semester-III Examination (CBCS)**

**Corporate Accounting – II**  
**UM03DBBA51**

7<sup>th</sup> January, 2021  
Time: 10:00 To 12:00

Total Pages: 04  
Total marks: 70

**Note: Attempt any Four (4) Questions out of following Eight (8) Questions**

Que.1

(17.5 Marks)

Followings are Balance-Sheets of Abhay Ltd. & Akash Ltd. as on 31<sup>st</sup> March, 2020.

Liabilities	Abhay	Akash	Assets	Abhay	Akash
Equity sh. Capital	4,00,000	6,00,000	Building	3,50,000	4,00,000
General Reserve	1,00,000	1,20,000	Machinery	2,50,000	3,00,000
Profit & Loss A/C	1,00,000	80,000	Furniture	40,000	80,000
Creditors	2,70,000	3,00,000	Stock	1,00,000	1,20,000
Bills Payable	30,000	40,000	Debtors	1,50,000	1,90,000
Bank Overdraft	60,000	60,000	Bills Receivable	50,000	60,000
			Cash Balance	20,000	50,000
	<b>9,60,000</b>	<b>12,00,000</b>		<b>9,60,000</b>	<b>12,00,000</b>

On 1st April, 2020 they decided to amalgamate and form a new company Amar Ltd. to take over their business on following conditions:

- (1) New company will take over fixed assets of the company at 20% higher price than their book value and all other assets and liabilities at their book value.
- (2) New company will issue its own 5 shares each of Rs. 10 to every 4 shares held by shareholders of vendor companies, in addition to Rs.1 in cash per share of Vendor Company.

You are required to prepare Balance Sheet in books of the Purchasing Company after Amalgamation.

**Que.2****(17.5 Marks)**

Followings are Balance-Sheets of Sagar Ltd. & Samudra Ltd. as on 31/03/2020.

Liabilities	Sagar	Samudra	Assets	Sagar	Samudra
Equity sh. Capital	4,00,000	6,00,000	Building	3,50,000	4,00,000
Profit & Loss A/C	2,00,000	2,00,000	Machinery	2,50,000	3,00,000
Creditors	2,70,000	3,00,000	Furniture	40,000	80,000
Bills Payable	30,000	40,000	Stock	1,00,000	1,20,000
Bank Overdraft	60,000	60,000	Debtors	2,00,000	2,50,000
			Cash Balance	20,000	50,000
	<b>9,60,000</b>	<b>12,00,000</b>		<b>9,60,000</b>	<b>12,00,000</b>

On 1/04/2020 they decided to amalgamate and form a new company Mahasagar Ltd. to take over their business on following conditions:

- (3) New company will take over assets and liabilities of vendor companies at their book value.
- (4) New company will issue its own 5 shares each of Rs. 10 to every 4 shares held by shareholders of vendor companies.

You are required to prepare Balance Sheet after Amalgamation.

**Que.3****(17.5 Marks)**

Explain Meaning, Utility and Limitations of Ratio Analysis.

**Que.4****(17.5 Marks)**

Followings are summarized Balance-Sheet of Sangita Ltd.

Liabilities	31-03-19	31-03-20	Assets	31-03-19	31-03-20
Eq. Share Cap.	250000	350000	Fixed Assets	420000	540000
Reserves	70000	120000	Stock	65000	92500
10% Debentures	150000	150000	Debtors	70000	50000
Creditors	90000	75000	Cash & Bank	10000	7500
Bills Payable	10000	5000	Prepaid Expenses	5000	10000
	<b>570000</b>	<b>700000</b>		<b>570000</b>	<b>700000</b>

**Additional Information:**

Particulars	<u>31-03-19</u>	<u>31-03-20</u>
Sales (cash sales is 25% of credit sales)	9,00,000	13,50,000
Gross Profit	2,25,000	4,00,000
Profit After Tax	1,00,000	1,80,000
Market Price of Equity Shares (Per Sh.)	18	20
Opening stock	70,000	

You are required to calculate following ratios for both the years & make your comment.

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

**Que. 5**

**(17.5 Marks)**

The Followings are the Balance Sheet of Sakti Limited.

Liabilities	2018	2019	Assets	2018	2019
Equity Sh. Capital	15,00,000	18,00,000	Fixed Assets	23,00,000	25,00,000
6% Debentures	7,00,000	4,00,000	Stock	3,00,000	4,00,000
Current Liabilities	5,00,000	6,00,000	Debtors	2,50,000	1,70,000
Profit & Loss A/c	2,00,000	3,00,000	Bank Balance	50,000	30,000
	<b>29,00,000</b>	<b>31,00,000</b>		<b>29,00,000</b>	<b>31,00,000</b>

**Additional Information:**

- (1) During the year Fixed Asset Costing 1,00,000, on which accumulated depreciation provided of Rs.20,000 was sold at Rs. 75,000
- (2) During the year Right Equity Shares were issued in ratio of 5:1
- (3) 10% dividend on equity shares was declared and paid.

Prepare Fund-Flow Statement.

**Que. 6**

**(17.5 Marks)**

Followings are Balance sheets of Dipali Ltd.

Liabilities	31/3/2019	31/3/2020	Assets	31/3/2019	31/3/2020
Equity Sh. Cap.	6,00,000	7,00,000	Machinery	6,00,000	5,50,000
P & L A/C.	1,20,000	1,50,000	Building	2,00,000	1,50,000
Creditors	1,30,000	1,50,000	Stock	1,00,000	1,75,000
Bank Loan	1,50,000	1,00,000	Bank	50,000	1,75,000
			Debtors	30,000	40,000
			Preliminary Exp.	20,000	10,000
	<b>10,00,000</b>	<b>11,00,000</b>		<b>10,00,000</b>	<b>11,00,000</b>

**Additional Information:**

- 1) A Building costing of Rs.50,000 on which accumulated depreciation was Rs.15,000 was sold at Rs. 40,000.
- 2) Dividend for previous year Rs.30,000 declared and paid.
- 3) Provide 10% Depreciation on Fixed Assets.

Prepare Fund-Flow Statement

Que. 7

(17.5 Marks)

The Followings are the Balance Sheet of Sheetal Limited.

Liabilities	2018	2019	Assets	2018	2019
Equity Sh. Capital	5,00,000	6,00,000	Fixed Assets	6,00,000	6,50,000
General Reserves	2,00,000	1,50,000	Stock	1,30,000	1,50,000
Profit & Loss A/c	1,00,000	1,30,000	Debtors	1,20,000	1,00,000
Creditors	50,000	60,000	Cash & Bank	80,000	1,40,000
Tax Provision	80,000	1,00,000			
	<b>9,30,000</b>	<b>10,40,000</b>		<b>9,30,000</b>	<b>10,40,000</b>

**Additional Information:**

- (1) Provide 20% Depreciation on Fixed Assets.
- (2) During the year Bonus Equity Shares were issued in ratio of 5:1.
- (3) During the year, tax paid Rs. 90,000.

Prepare Cash-Flow Statement.

Que. 8

(17.5 Marks)

Followings are Balance sheets of Chaya Ltd.

Liabilities	2018	2019	Assets	2018	2019
Equity Sh. Cap.	6,00,000	8,00,000	Fixed Assets	5,70,000	6,90,000
P& L A/C.	1,00,000	1,50,000	Stock	80,000	1,00,000
Creditors	1,30,000	1,50,000	Cash & Bank	1,00,000	1,50,000
Bank Over-Draft	50,000	30,000	Debtors	1,30,000	1,90,000
	<b>8,80,000</b>	<b>11,30,000</b>		<b>8,80,000</b>	<b>11,30,000</b>

**Additional Information:**

- 1) During the year Right Equity Shares were issued in ratio of 3:1.
- 2) A Fixed Asset costing of Rs. 60,000 on which accumulated depreciation was Rs. 20,000 was sold at Rs. 30,000.

Prepare Cash-Flow Statement.

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