

[32]

SEAT No. _____

No. of Printed Pages : 4

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SARDAR PATEL UNIVERSITY
B.B.A. (ITM) (SEMESTER: III) EXAMINATION
2018

Thursday, 22nd November
 02:00 P.M To 04:00 P.M

UM03CBBI08: CORPORATE ACCOUNTING-II

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 [15] Following balances are taken from the books of RMP Ltd. As on 31-3-2018:

Debit Balances	Amt (Rs.)	Credit Balances	Amt (Rs.)
Pref. Shares' Redemp.	1,65,000	Equity share capital	8,00,000
Goodwill	45000	Capital reserve	60,000
Interest accrued on investment	6000	Redeemable pref. share capital	1,50,000
Capital work in progress	3,50,000	General reserve	2,60,000
Buildings (cost Rs. 6,00,000)	4,80,000	Bank loan (HP on stock)	75000
Machinery (cost Rs. 4,50,000)	3,60,000	Loan from directors	1,10,000
Stock	1,35,000	creditors	80000
Debtors	1,60,000	Profit & loss a/c	65000
Cash & bank	60000	Provision for taxation	50000
Underwriting comm.	15000	Loan from GSFC	1,60,000
Loose tools	18000	Public deposits	55000
Stores & spare parts	25000	Proposed dividend	60000
Investments	1,50,000	Gratuity fund	65000
Goods in transit	20,000	Unclaimed dividend	36000
Custom Deposit	37000	Loan from GSFC	1,60,000
	20,26,000		20,26,000

After taking into account the following additional information prepare the Balance Sheet of the Company as on 31-3-2018 in vertical form with schedules.

- The authorized capital of the company comprises 1,80,000 equity share of Rs. 10 each and 2000, 12% Redeemable preference shares of Rs. 100 each.
- Of the issued capital 2,000 fully paid equity shares are issued in pursuant to contract for consideration other than cash.
- The GSFC loan is secured by mortgage on machinery and the present balance includes Rs. 10,000 being interest accrued but not due on loan.
- During the year the Redeemable Preference Shares were redeemed with 10% premium. However, no effect was given in the books except for the payment shown as debit balance. Necessary entries are to be passed as per the legal requirements.
- An investment consists of 12,000 shares of Rs. 10 each in Sapan limited, Rs. 7.50 paid per share and balance in Government Securities.
- Rs. 60,000 was transferred to general reserve this year.

OR

Q-1 Draft part I and II of revised schedules six of companies Act 1965 with notes of [15] noncurrent assets.

①

Q-2

TAP Ltd. and TYAG Ltd. were amalgamated on 1-4-18. A new company TAPASVI [15]
Ltd. was formed to take over the business of the existing companies. The balance sheet
of TAP Ltd. and TYAG Ltd. as on 31-3-18 are as under

Liabilities	TAP Ltd	TYAG Ltd	Assets	TAP Ltd	TYAG Ltd
Equity shares of Rs.10 Each fully paid	100,000	140,000	Fixed Assets	1,20,000	1,80,000
General Reserve	170,000	100,000	Stocks	80,000	90000
Creditors	40,000	90,000	Debtors	60,000	1,50,000
BOD	-----	90,000	Cash & Bank	50,000	-----
	3,10,000	4,20,000		3,10,000	4,20,000

Other Information

1. TAPASVI limited has authorized capital of Rs. 10,00,000 divided in 80,000 equity shares of Rs. 10 each and 15%, 2,000 preference shares of Rs. 100 each.
2. Fixed Assets of both companies are taken at 20% higher than book value and paid creditors of both companies at 10% less than book value.
3. Provide for doubtful debts at 10% on debtors for both the companies.
4. TAPASVI limited will give 32,000 equity shares and 200 preference shares to TAP limited and 30,000 equity shares and 200 preference shares to TYAG limited.
5. TAPASVI limited has issues remaining equity shares and 600 preference shares at par to general public.

You are required to give journal entries and prepare the Balance Sheet of TAPASVI Ltd. as on 1-4-18 after the amalgamation.

OR

Q-2 (A) Define the term amalgamation and explain its objectives. [07]

(B) What are the methods of computing purchase consideration? Explain it with illustration. [08]

Q-3

From the following balance sheets and other information of RAM limited for the years [15]
2017 and 2018, prepare fund flow statement, statement showing changes in working capital, adjusted profit and loss account and necessary accounts.

Liabilities	31-03-17 (Rs.)	31-03-18 (Rs.)	Assets	31-03-17 (Rs.)	31-03-18 (Rs.)
Equity share capital of Rs. 10 each	2,00,000	2,50,000	Goodwill	7,500	5,000
General Reserve	10,000	25,000	Building	1,42,500	1,57,500
Profit & Loss A/c	15,000	50,000	Plant & Machinery	93,000	75,000
12% debenture	2,00,000	2,35,000	Investment	75,000	75,000
Sundry Creditors	1,25,000	60,000	Stock	2,00,000	1,80,000
Bills Payable	75,000	40,000	Debtors	1,50,000	1,65,000
Proposed Dividend	40,000	40,000	Cash Balance	6,250	12,500
Provision for Tax	60,000	50,000	Bank Balance	50,750	80,000
	7,25,000	7,50,000		7,25,000	7,50,000

Additional Information:

1. During the year investments costing Rs. 20000 were sold at a profit of Rs. 10000.

(2)

2. An interim dividend of Rs. 25,000 was paid during the year.
3. Taxes paid during the year Rs. 60,000.
4. Rs. 15,000 was charged as depreciation on buildings.
5. Depreciation charged on plant and machinery Rs. 9,300.

OR

Q-3 The summarized balance sheet of Bharat limited as on 31st march, 2017 and 31st March 2018 are as follows: [15]

Liabilities	31-03-17 (Rs.)	31-03-18 (Rs.)	Assets	31-03-17 (Rs.)	31-03-18 (Rs.)
Equity share capital of Rs. 10 each	12,00,000	15,00,000	Building	8,00,000	7,60,000
14% Debenture	6,00,000	4,00,000	Machinery	5,00,000	7,20,000
P & L A/C	1,00,000	1,50,000	Short term Investment	3,00,000	4,50,000
General Reserve	3,00,000	3,50,000	Inventories	4,00,000	4,70,000
Creditors	4,90,000	5,60,000	Debtors	6,70,000	5,30,000
Proposed Dividend	1,20,000	1,80,000	Cash Balance	2,20,000	3,30,000
Provision for Tax	1,00,000	1,30,000	Prepaid Exp.	20,000	10,000
	29,10,000	32,70,000		29,10,000	32,70,000

Additional Information:

1. Debentures were redeemed at a premium of 10%.
2. Taxes paid during the year amounted to Rs. 1,40,000.
3. A machine which appeared at a WDV of Rs. 80,000 was sold for Rs. 1,30,000; and new machines worth Rs. 3,60,000 were acquired during the year.

Prepare a statement of sources and application of funds, statement showing changes in working capital, Adjusted profit and loss account and necessary accounts.

Q-4 Following is the balance sheet of Daxesh Medical Limited as on 31st march, 2017 and 31st March 2018 are as follows: [15]

Liabilities	31-03-17 (Rs.)	31-03-18 (Rs.)	Assets	31-03-17 (Rs.)	31-03-18 (Rs.)
Equity share capital of Rs. 10 each	3,00,000	3,50,000	Land & Building	2,30,000	3,90,000
Share premium	---	30,000	Machinery	85,400	1,40,000
General reserve	45,000	65,000	Furniture	5,500	6,500
Profit & loss A/c	30,000	80,800	Inventories	82,400	95,700
6% debentures	---	70,000	Debtors	75,000	85,500
Creditors	80,000	90,700	Bank Balance	34,200	44,300
Provision for tax	22,500	40,500			
Proposed dividend	30,000	35,000			
	5,12,500	7,62,000		5,12,500	7,62,000

Additional Information:

1. Depreciation written off during the year: Land and Building Rs. 60,000, Machinery Rs. 50,000 and Furniture Rs. 1,200.

You are required to prepare a cash flow statement as per AS-3 and necessary accounts.

OR

Q-4 (A) Following information is available from the books of Hiren Company Limited. [09]

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Particulars	2017 (Rs.)	2018 (Rs.)
Profit made during the year	2,50,000	--
Income received in advance	500	600
Prepaid Expenses	1,600	1,400
Debtors	80,000	95,000
Bills Receivable	25,000	20,000
Creditors	45,000	40,000
Bills Payable	13,000	15,000
Outstanding Expenses	2,500	2,000
Accrued Income	1,500	1,200

Calculate cash from operations.

(B) Explain the importance of cash flow statement.

[06]

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