

SARDAR PATEL UNIVERSITY
B.Com. (First Semester) (Gen. & Honours) (NC) Examination
Wednesday, 19th October, 2016
2.00 pm - 4.00 pm

UB01ECOM01/17 : Corporate Accounting - I

Total Marks : 60

Note: Figures to the right indicate marks.

Q.1

- (a) Krishna Limited issued 10000 equity shares for public at a premium of 20%, each Rs.100, Amount payable per share was as follows : [12]

On Application	20 Rs.
On Allotment	40 Rs. (with premium)
On First Call	30 Rs.
On Second Call	30 Rs.

Applications were received for 16000 shares and the additional applications were refused and the amount was refunded to them.

Mira to whom 500 shares were allotted, paid only full amount of shares at the time of allotment.

Radha to whom 400 shares were allotted, failed to pay the allotment money.

Rukmani to whom 300 shares were allotted, failed to pay the first and second call money.

Mira, Radha and Rukmani's shares were forfeited and reissued as fully paid for Rs.80 per share.

Pass necessary journal entries in the books of Krishna Ltd.

- (b) Write short note : Forfeiture of Share. [03]

OR

Q.1

- (a) The Nilkanth Construction Company Ltd. issued 10000 equity shares of Rs.10 each at a discount of 10% for which 30000 applications were received. The amount was payable as under. [10]

On Application	2 Rs.
On Allotment	3 Rs.
On First Call	2 Rs.
On Second Call	2 Rs.

Additional applications were rejected and money returned.

Kirti was allotted 200 shares failed to pay the moneys due on first call and last call. So his shares were forfeited and reissued as fully paid up at Rs.7 per share

Pass necessary journal entries in the books of the company.

- (b) Write short note : Calls in arrears and Calls in advance. [05]

Q.2

- (a) Read and interpret the following Account [08]

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
2015 June-1	To Balance b/d	50000	2015 June-25	By Bank	8000
Feb-15	To Patel & Sons	20000	June-25	By Profit & Loss	2000
Feb-18	To Truck Freight	2000	March-31	By Balance c/d	65000
March-25	To Wages	3000			
		75000			75000

(b) What are the limitations of Balance Sheet ? Discuss.

[07]

OR

Q.2

(a) Write a note on objectives of Balance-sheet.

[07]

(b) Read and interpret the following Account.

[08]

Nayan's Account

Dr.

Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
2016 Mar-1	To Bank A/c	15000	2016 Jan-1	By Balance b/d	40000
Dec-31	To Interest on Withdrawn A/c. (Drawings)	1500	July-1	By Bank A/c.	10000
Dec-31	To Balance c/d	53500	Oct-1	By Furniture	5000
			Dec-31	By interest on Capital A/c	4625
			Dec-31	By P & L A/c.	10375
		70000			70000

Q.3 Following is the trial balance of A Co. as on 31-3-16.

[15]

Debit Balance	Rs.	Credit Balance	Rs.
Land and Building	350000	Equity Share capital of Rs.10 each	640000
Plant & Machinery	300000	10% Preference capital of Rs.100 each	150000
Discount on Debenture	44800	Sales	1200000
Purchases	508000	10% of Debentures	240000
Opening Stock	80000	Director's Loan	24000
Interest on Debentures	24000	Goods returned	32000
Goods returned	61000	Creditors	180000
Debtors	240000	Staff Pension Fund	16400
Vehicles	9000	Interest due on Loan	1000
Custom Deposit	16000	Interest and dividend	15000
Income tax paid in advance	36000	Forfeited shares A/c.	7000
Administrative expenses	133000	Fixed Deposit	3000
Salary	202000	General reserve	91600
Octroi	150000	Profit & Loss A/c. (1-4-15)	20000
Selling & Distribution exp.	27000		
Director's fees	2300		
Investments	192000		
Loose tools	6000		
Bills receivables	140000		
Underwriting Commission	10000		
Cash at Bank	58000		
Cash on Hand	30900		
	2620000		2620000

Additional Information:

(1) Transfer Rs.10000 to General reserve.

(2) The Closing stock is Rs.150000.

(3) Provide depreciation on Plant & Machinery at 10%, Land & Building at 12%, and on Vehicles at 15% per annum.

(4) Write-off 25% of underwriting commission.

(5) Provide 10% Bad debtors reserve on Debtors.

(6) Directors proposed 15% dividend on equity shares.

Prepare final accounts as per Company's Act-1956 in horizontal form.

OR

- Q.3 Following were the balances in the books of KV Co. on 31st March, 2015 [15]

Particulars	(Credit)Rs.	Particulars	(Debit)Rs.
10000 Equity shares each Rs.100	1000000	Land & Building	260000
10% Debentures	100000	Stock on 31-3-15	340000
Loans	140000	Cash on hand	33000
Fixed Deposits	35000	Goodwill	200000
General Reserve	160000	Investments	217000
Share premium	15000	Plant & Machinery	450000
Profit & Loss A/c. (1-4-14)	31000	Debtors	118000
Gross Profit	380000	Bills Receivables	30000
Providend Fund	40000	Loose tools	14000
Unpaid expenses	11000	Salary	80000
Uncalled Dividend	10000	Contribution in P.F.	18000
Interest accrued on Loan	3000	Interest on Debentures	5000
Creditors	100000	Insurance	8000
Interest on Investment	10000	Rent and taxes	40000
		Furniture	55000
		Audit fees	10000
		Repairs	13000
		Motor	48000
		Discount on Debentures	10000
		Custom Deposit	23000
		Postage and telegrams	4000
		Director's Fees	20000
		Underwriting Commission	15000
		Carriage outward	24000
	2035000		2035000

Additional Information:

- (1) Provide for Depreciation on plant and machinery at 10% and on furniture and motor at 5%.
- (2) Reserve 5% on debtors for bad and doubtful debts.
- (3) Provide Rs.37500 for income tax of the year.
- (4) Outstanding interest on investments is Rs.7500.
- (5) 1/5 of Underwriting Commission is to be written off.
- (6) Transfer Rs.35000 to General Reserve.
- (7) Directors have recommended 5% Dividend on Equity Shares.

Prepare final accounts as per Company's Act-1956 in horizontal form.

Q.4

- (a) Write short note : AS-2 (Valuation of Inventories) [07]
- (b) Write short note : AS-6 (Depreciation Accounting) [08]

OR

Q.4

- (a) What do you mean by Accounting Standards ? Explain its advantages. [07]
- (b) What is IFRS ? Give a list of present IFRS. [08]
