

SARDAR PATEL UNIVERSITY
B. Com. (Hon.) (II Semester) Examination
29th March 2016 (Tuesday)
2.30 pm – 4.30 pm
UB02CCOH02 – COMPANY ACCOUNTS

Total Marks : 60

Note: (1) Figures to the right indicate marks.
 (2) Show all necessary workings.

Q. 1

- (A) What are 'Financial Statements'? State the characteristics of 'Financial Statements'. (08)
 (B) Discuss the limitations of 'Financial Statements'. (07)

OR

Q. 1 Write short notes on:

- (1) Trend Analysis (05)
 (2) Common-size Financial Statements (05)
 (3) Purposes of Preparing Financial Statements (05)

Q. 2

- (A) State the objectives of preparing Balance Sheet. (08)
 (B) Briefly explain the limitations of Balance Sheet. (07)

OR

Q. 2

- (A) Ascertain: (10)
 (a) Owner's Funds
 (b) Capital Employed
 (c) Net Working Capital from the following information:

Particulars	₹	Particulars	₹
Goodwill	3000	Buildings	20000
Equity Share Capital	65000	General Reserve	4000
Plant and Machinery	6000	Bank (Cr.)	4000
Furniture	19000	Bills Payable	5000
Creditors	12500	Patents & Trade Marks	14000
Copyright	1000	Outstanding Salaries	5000
Closing Inventory	7500	Debtors	10000
Bills Receivable	2500	Development Expenses	1000
Provident Fund	2500	Custom Deposit	10000
Prepaid Rent	4000	Cash	2000
P & L A/c. (Dr.)	4000	Workmen	
		Compensation Fund	6000

- (B) What is a Balance Sheet? Enlist its functions. (05)

- Q. 3 Reliable Investments Ltd. invited applications for 100000 equity shares of ₹10/- each issued at a discount of 10%. The amount was payable as under: (15)

On Application	₹3/-
On Allotment	₹4/-
On First and Final Call	₹2/-

All the shares were subscribed and paid up except Mr. X holding 1000 shares did not pay the first and final call. His shares were forfeited. Out of these forfeited shares, 500 shares were reissued as fully paid up @ ₹5/- per share.
Pass necessary journal entries in the books of the company.

OR

- Q. 3 (A) Asha Limited forfeited 2000 equity shares of ₹10/- each, issued at a premium of ₹5/- per share, held by Shri Bharat for non-payment of the final call of ₹3/- per share. Of these, 100 shares were reissued to Shri Laxman at a discount of ₹4/- per share. Pass journal entries for forfeiture and reissue. (05)
- (B) Write short notes on: (05)
- (1) Pro rata Allotment (05)
 - (2) Calls in Arrear and Calls in Advance (05)

- Q. 4 The Trial Balance of Bharat Ltd. as on 31-03-2015 is as follows: (15)

Particulars	₹	Particulars	₹
Advances to staff	23000	Equity Share Capital	400000
Investments	35000	Sales	300000
Calls in arrear	1000	Sundry Creditors	17000
Land and Buildings	45000	General Reserve	25000
Machinery	300000	Income from Investments	6000
Furniture	15000	Loan from Bank	45000
Excise Duty	3800	Dividend	3000
Productive Wages	31400		
Salaries	45200		
Insurance	2800		
Purchases	160000		
Bills Receivables	21200		
General Expenses	6900		
Opening Stock	65000		
Cash at Bank	38800		
Cash in hand	900		
Director Fees	1000		
	796000		796000

Adjustments:

1. Closing stock values at ₹86,000/-.
2. Depreciate machinery at 10%
3. Outstanding salary ₹4000/-.
4. Transfer ₹5000/- to General Reserve.
5. Make a provision for Income-tax at ₹18165/-.
6. The authorised capital of the company is ₹600000/- divided into equity shares of ₹10/- each.

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2015 and a Balance Sheet as on that date in the form prescribed under the Companies Act, 1956.

OR

- Q. 4 (A) Give specimen of Profit and Loss Appropriation Account. (05)
- (B) List at least five items covered under the heading 'Miscellaneous Expenditure' and 'Current Liabilities and Provisions' of a company's Balance Sheet. (10)