SARDAR PATEL UNIVERSITY
B.Com. (Second Semester) EXAMINATION
2016
Tuesday, 29th March
2.30 p.m. to 4.30 p.m.
UB02CCOM02 : ACCOUNTANCY
(COMPANY ACCOUNTS)

Maximum Marks : 60

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

Q.1
(a) State the objectives of preparing Balance Sheet.   [10]
(b) Briefly explain the limitations of Balance Sheet.   [05]

OR

Q.1
(a) Ascertain   (1) Owner's Funds   [10]
        (2) Capital Employed and
        (3) Net Working Capital, from the following.
   Particulars :

Particulars	Rs.	Particulars	Rs.
Goodwill	3000	Buildings	20000
Share Capital	65000	General Reserve	4000
Plant & Machinery	6000	Bank Overdraft	4000
Furniture	19000	Bills Payable	5000
Creditors	12500	Patent & Trade Mark	14000
Copyright	1000	Outstanding Salaries	5000
Closing Stock	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.2 Patel Limited invited applications for 50000 equity shares of Rs.10   [15]
   each. The amount was payable as under :

	Rs.
On application	3
On allotment	2
On First and Final Call	5

Applications were received for 110000 shares. It was decided :
(1) to refuse allotment to the applicants for 10000 shares.
(2) to allot 50% to Mr. Ravi who has applied for 20000 shares.
(3) to allot in full to Mr. Chandra who has applied for 10000 shares.
(4) to allot balance of the available shares pro-rata among the other applicants and
(5) to utilise excess application money in part payment of allotment and first and final call.

Make journal entries in the books of Patel Ltd.

OR

Q.2 Sharda Limited issued 100000 equity shares of Rs.10 at a premium   [15]
of Rs.4 per share payable as under :

	Rs.
On application	6 (including Rs.2 premium)
On allotment	6 (including Rs.2 premium)
On first and final call	2

Applications were received for 150000 shares. Allotment was made to all the applicants on pro-rata basis. Money overpaid on application was employed on account of sums due on allotment.

Sandhya to whom 200 shares were allotted, failed to pay allotment and first and final call money. Savitri to whom 100 shares were allotted failed to pay the first and final call money.

Pass necessary journal entries in the books of Sharda Limited.

Q.3
(a) What are financial statements ? State the characteristics of financial   [08]
statements.

(b) Discuss the limitations of financial statements.   [07]

OR

Q.3 Write short notes on :
(1) Trend analysis.   [05]
(2) Common-size financial statements.   [05]
(3) Purposes of preparing financial statements.   [05]

Q.4 The Trial Balance of Roshani Ltd. as on 31st March, 2015 is as follows : [15]

Debit Balances	Rs.	Credit Balances	Rs.
Investments	35000	Equity Share Capital	400000
Calls in Arrear	1000	Sales	300000
Land and Building	45000	Sundry Creditors	17000
Machinery	300000	General Reserve	25000
Furniture	15000	Income from Investments	6000
Excise Duty	3800	Loan from Bank	45000
Wages	31400	Dividend	3000
Salaries	45200		
Insurance	2800		
Purchases	160000		
Bills Receivable	21200		
General Expenses	6900		
Opening Stock	65000		
Cash at Bank	38800		
Cash in Hand	900		
Directors Fees	1000		
Advances to staff	23000		
	796000		796000

Adjustments :
(1) Closing stock valued at Rs. 86000
(2) Depreciate Machinery at 10%
(3) Outstanding Salary Rs. 4000
(4) Transfer Rs.5000 to General Reserve
(5) Make a provision for Income-tax at Rs.18165
(6) The authorised capital of the company is Rs. 600000 divided into equity shares of Rs.10 each.

Prepare Trading and Profit & 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 5 items covered under the heading 'Miscellaneous Expenditure' and 'Current Liabilities and provisions' of a Company's Balance Sheet. [10]

* * * * * * * * * * *