

[38 & 39]
Eng A-60

No of Pages: 03

SARDAR PATEL UNIVERSITY

B. Com. (CBCS) (Semester – II)

Monday, 28th March 2016

2.30PM to 4.30PM

UB02ECOM01/13- Advanced Accounting & Auditing –III
(Corporate Accounting)

Maximum Marks: 60

Note:

- 1) Figures to the right indicate full marks of the questions concerned
- 2) Show necessary calculation whenever needed

Q.1 On the 31st March 2015 the Balance sheet of HP Ltd is as follows.

15

Liabilities	Rs.	Assets	Rs.
2000 Equity shares of Rs.100 each	2,00,000	Land	1,00,000
500, 7% Redeemable Pref.share of Rs.100 each Rs.80 per share paid up.	40,000	Building	82,500
500,8% Redeemable Pref.share of Rs.100 each fully paid up	50,000	Plant-Machinery	50,000
Share Premium	5,000	Investment	35,000
General Reserve	37,500	Stock	35,000
Profit & Loss A/C	17,500	Debtors	60,000
Creditors	40,000	Cash Balance	27,500
	3,90,000		3,90,000

On this date , the company decided to redeem both the classes of preference share at 10% premium after complying with the provision laid down under Sec.80 of the Companies Act,1956.

For this purpose, necessary number of equity share of Rs.100 each is issued at par. Cash balance of Rs.15,000 is to be maintained in the business. All the investment are sold away of Rs.30,000. All the preference shareholders are paid in full. The company then decided to utilize the resultant reserve created out of the redemption of preference share for issuing fully paid bonus share to equity shareholders.

Pass necessary journal entries in the books of the HP Company Ltd and prepare Balance sheet after redemption of preference share.

OR

Q.1 From the following information of a company, calculate the number of new share of Rs.10 each to be issued for redemption of redeemable preference share and pass necessary Journal Entries.

09

- | | |
|---------------------------------------|-------------|
| A. 10% Red Prf. Share Capital | Rs.3,00,000 |
| B. Redemption Premium | 10% |
| C. Balance Shown in the Balance Sheet | |
| P&L A/C (Credit) | Rs.50,000 |
| Share Premium | Rs.10,000 |
- The company wants to issue new Equity shares at 5% Premium.

(B) Write down the Sources of Bonus Share 06

Q.2

(A) Vijay Ltd issued an on 01-01-2011, 12% , 1000, Debenture of Rs.1000 each @ 3% Discount. It undertakes to repay the debenture at par as below. 10

Year	Numbers of Debenture
31-12-2012	400 Debenture
31-12-2013	300 Debenture
31-12-2014	200 Debenture
31-12-2015	100 Debenture

Prepare Debenture Discount Account in the books of Vijay Company.

(B) On 01-01-2010 Riya Company Limited issued 9,000, 8% Debenture of Rs.100 each 10% Discount these debentures are issued with condition that these are repayable after 5 Years at 5% Premium. Write down the journal entries in the books of Riya Company 05

OR

Q.2 The following were the balances stood in the books of Priya LTD AS on 31-03-2015 15

1)	18% Mortgage Debenture	Rs.15,00,000
2)	Debenture Redemption Fund	Rs.15,80,000
3)	Debenture Redemption Fund Investment	
	1) 12% Kandla Port Trust Bond (Face Value Rs.9,00,000)	Rs.9,50,000
	2) 10% Central Government Loan (Face Value Rs.6,70,000)	Rs.6,00,000

On the 31-07-2015, 12% Kandla Port Trust Bond were sold at 10% Premium and 10% Central Government Loan at Rs.20,000 Loss. On the same day Debentures was redeemed at 10% premium together with accrued interest.

Prepare necessary account in the books of a company.

Q.3 Explain the following accounting standards : 15

1)AS 1-Disclosure of Accounting Policies

2) AS 2-Valuation of inventories

OR

Q.3

(A) What is meant by accounting standard? Discuss its utility 08

(B) Write short note on –Depreciation Accounting 07

Q.4 The following is the Balance Sheet of Jay Ltd.

15

Liabilities	2014	2015	Assets	2014	2015
Equity Share Capital of Rs.100 each	3,00,000	4,00,000	Fixed Assets	6,20,000	7,10,000
10% Pref. Share Cap. of Rs.100 each	1,00,000	1,00,000	Stock	1,50,000	1,30,000
Reserve	1,24,000	1,10,000	Debtors	1,10,000	1,25,000
10% Debentures of Rs.100 each	2,00,000	2,00,000	B.R	15,000	25,000
Bank OD	50,000	70,000	Cash	5,000	10,000
Creditors	1,20,000	90,000	Preliminary Exp	20,000	10,000
B.P	26,000	40,000			
Total	9,20,000	10,10,000		9,20,000	10,10,000

Additional Information:

	2014	2015
Total Sales (cash sales are 1/5 th of credit sales)	9,60,000	12,00,000
Gross Profit	2,40,000	3,60,000
Net Profit (Before Interest & Tax @ 50%)	1,64,000	2,60,000

- A. Stock as on 01/01/2014 was Rs. 1,30,000
- B. Days should be considered at 360 days
- C. Calculate: GP ratio, NP ratio, Stock Turnover ratio, Current ratio, Return on capital employed, Debtors turnover ratio. .

OR

Q.4

- (A) The Operating Ratio of a company is 80% & its sales is Rs. 20,00,000, sales return is Rs.2,00,000, if its operating expenses are Rs. 1,00,000 Find out Cost Of Goods Sold. **05**
- (B) The Sales of A Ltd is Rs. 8,50,000, Gross profit is Rs. 40,000, Closing stock is Rs. 2,10,000 & the opening stock is Rs. 1,30,000, Calculate Stock Turnover Ratio **05**
- (C) Explain the utility of Ratio analysis **05**

$\chi \sim \chi = \chi$