

**SARDAR PATEL UNIVERSITY**  
**B. Com. (II Semester) EXAMINATION**  
**Monday , 25<sup>th</sup> March, 2019**  
**10.00 a.m. to 12.00 p.m.**  
**UB02ECOM01 : Advanced Accounting and Auditing - III**  
**(Corporate Accounting)**

**Maximum Marks : 60**

Note : Figure to the right indicate full marks of the question.

- Q.1 The Balance Sheet of Vrunda Ltd. as on 31<sup>st</sup> March 2018 was as [15]  
under

Liabilities	Rs.	Assets	Rs.
Share Capital		Fixed Assets	150000
Issued and Subscribed		Current Assets	
6000, 6% Redeemable		Stock 75000	
Pref. Shares of Rs. 10		Debtors 30000	
Each fully paid	60000	Bank Bal. <u>80000</u>	185000
15000 Equity Shares of			
Rs. 10 each fully paid	150000		
Profit & Los A/c	83000		
Creditors	25000		
Proposed Dividend	17000		
	<u>335000</u>		<u>335000</u>

Under the terms of redemption, Redeemable Preference Shares were to be redeemed at a premium of 5%. For the purpose of redemption 2000, 5% preference share of Rs. 10 each were issued at a premium of Rs. 5 per share and were fully paid.

On 1<sup>st</sup> April, 2018, 6% Redeemable Preference shares were redeemed but there is no trace in respect of 20 preference shares, Bonus issues of one equity share for every 10 equity shares was made on that date. Pass necessary journal entries in respect of above transactions and prepare revised Balance Sheet.

OR

(P.T.O.)

Q.1(A) The Balance Sheet of Vidit Ltd. as on 31-03-2018 is as follows [12]

Liabilities	Rs.	Assets	Rs.
<u>Equity Share Capital</u>		Fixed Assets	343000
30000 Equity Shares of Rs. 10 each fully paid	300000	Cash & Bank	100000
<u>Red. Pref. Share Capital</u>			
8000 Red. Pref. Shares of Rs. 10 each fully paid	80000		
Profit & Loss Account	25000		
General Reserve	32000		
Share Premium	6000		
	443000		443000

Redeemable Pref. shares are redeemable at premium of 20%.

- (1) How many shares are to be issued if the company wants to issue shares at par.
- (2) How many shares are to be issued if the Company issues shares at 10% premium.

(B) Calculate the amount of transferred to capital Redemption reserve Account in each of the following cases. [03]

Redeemable	Fresh issues of Shares
1. Rs. 200000 to be redeemed at par	1. Rs. 100000 at par
2. Rs. 200000 to be redeemed at par	2. Rs. 100000 at a discount of 10%
3. Rs. 200000 to be redeemed at 2.5% premium	3. Rs. 50000 at a premium of 10%

Q.2 Bio-Chem Co. Ltd. issued 1000, 15% Debentures of Rs. 100 each on 1<sup>st</sup> January 2016- redeemable at a premium of 10%. Terms of issue provided that the company should. Set a side every year a sum of Rs. 34893 to be invested at 5% outside the business. The investment were sold at Rs. 71580 at the end of the third year and the debentures were paid off. Prepare sinking Fund Account and Sinking Fund Investment Account. [15]

OR

Q.2 (A) A Limited Company issued on 01-01-2014 Rs. 200000 Debentures at a discount of 6% repayable by annual drawings of Rs. 40000. Show the Discount Account in the Ledger for the period of duration of the debentures. [08]

(B) Explain the different methods of Redemption of Debentures. [07]

- Q.3 (A) What is Accounting Standard ? Discuss its importance. [08]  
 (B) Discuss briefly Accounting Standard. Disclosure of Accounting policies. [07]

OR

- Q.3 (A) Discuss the Accounting Standard - 2 about Valuation of inventories [08]  
 (B) Write note of Accounting standard - 6 about Depreciation Accounting. [07]
- Q.4 The following is the Balance Sheet of Raj Ltd. as on 31-03-2018 . [15]

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	250000	Fixed Assets	480000
10% Pref. Share Capital	100000	Stock	112500
Reserves	112500	Debtors	87500
12% Debentures	150000	Bills Receivable	25000
Bank overdraft	25000	Cash and Bank	45000
Creditors	95000	Preliminary Exps.	12500
Bills payable	30000		
	762500		762500

Additional information :

	Rs.
(1) Total Sales (Cash sales are 20% of Credit Sales)	900000
(2) Gross Profit	360000
(3) Net Profit (Before Interest and Taxes)	243000
(4) Stock (01-04-2017)	103500
(4) Tax Rate is 50%	

From the above information, calculate the following Ratios for the year ended on 31-03-2018.

- (1) Current Ratio
- (2) Debtors Ratio (300 days to be taken for year)
- (3) Net Profit Ratio
- (4) Rate of Return on shareholders funds
- (5) Stock Ratio

OR

- Q.4(A) Discuss the Limitations of Accounting Ratios. [08]  
 (B) Write note on classification of Accounting Ratios [07]

