

[A-22]

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SARDAR PATEL UNIVERSITY
B. Com. (VIth Semester) Examination
2016

Wednesday, 6th April

10.30 am - 12.30 pm

UB06ECOM01 - Advanced Accounting & Auditing : Paper - XI
(Adv. Corporate Accounting)

Total Marks : 60

Note : Figures to the right indicate marks.

Q.1 The balance sheets as on 31-3-2015 of two Companies are as under : [15]

Liabilities	Hira Ltd. (Rs.)	Moti Ltd. (Rs.)	Assets	Hira Ltd. (Rs.)	Moti Ltd. (Rs.)
Equity shares of Rs.10 each	500000	200000	Land-Building	400000	100000
Preference shares of Rs.100 each			Plant Machine	500000	200000
10% Debentures	300000	100000	Vehicle	100000	100000
Creditors	200000	100000	Stock	200000	100000
General Reserve	300000	200000	Debtors	200000	100000
	200000	100000	Bank Balance	100000	100000
	1500000	700000		1500000	700000

HM Ltd. was incorporated on 1-4-15 to amalgamate both companies, with authorised capital of 200000 equity shares of Rs.10 each and 10000 10% preference shares of Rs.100 each. The terms of business purchase are as follows :

- (A) For Hira Ltd. :- (i) 25 equity shares are exchanged with 10 old equity shares.
(ii) 12 fully paid up preference shares are issued in exchange of 10 old preference shares.
- (B) For Moti Ltd.:(i) 8 fully paid-up equity shares are issued to exchange 10 old equity shares.
(ii) 1 preference share is exchange with 1 old preference share.

The preliminary expenses incurred for Rs.10000. The new company issued remaining equity shares at Rs.12 per share to public, which were totally paid for.

Draft journal entries and opening Balance Sheet of HM Ltd.

OR

Q.1 From the information as given in Q.1 above, prepare Journal of Hira Ltd. [15]

Q.2

- (i) Define Value Analysis. Explain its salient features. [09]
(ii) Write note on : Types of values. [06]

OR

Q.2 Write short notes (Any Two) [15]

- (A) Advantages of Value Analysis
(B) TQM (Total Quality Management)
(C) Techniques of Value Analysis

Q.3 The Balance Sheets as on 31-3-2015 were as follows :

[15]

Liabilities	Sita Ltd. (Rs.)	Gita Ltd. (Rs.)	Assets	Sita Ltd. (Rs.)	Gita Ltd. (Rs.)
Shares of Rs.10	240000	75000	Land & Building	180000	68000
General Reserve	60000	7200	Debtors	24000	18000
P & L A/c	78000	18000	Stock	60000	23200
Creditors	10000	10000	6000 Shares of Gita Ltd.	102000	-----
Bills payable	8000	6000	Share of Mita Ltd.	30000	7000
	396000	116200		396000	116200

Considering following information prepare Consolidated Balance Sheet as on 31-3-15.

- (1) When Sita Ltd. acquired shares of Gita Ltd. the books of Gita Ltd. showed P & L A/c. (Credit Balance) of Rs.8000 and general reserve Rs.7200.
- (2) Out of goods purchased by Gita Ltd. from Sita Ltd. goods worth Rs.12000 are still in stock, Sita Ltd. charges a profit of 20% on cost.
- (3) Debtors of Sita Ltd. include Rs.5000 due from Gita Ltd.

OR

Q.3 Balance Sheets of Akash Ltd. and Dharti Ltd. as at 31-12-2015 are as follows :

[15]

Liabilities	Akash Ltd. (Rs.)	Dharti Ltd. (Rs.)	Assets	Akash Ltd. (Rs.)	Dharti Ltd. (Rs.)
Shares of Rs.100	1000000	400000	Plant & Machines	900000	250000
P & L A/c.	120000	-----	Furniture	10000	20000
General Reserve	200000	-----	Stock	200000	40000
Creditors	180000	100000	Debtors	40000	20000
			3000 Shares of Dharti Ltd. at Rs.80	240000	-----
			Bank Balance	110000	18000
			P & L A/c.	-----	152000
	1500000	500000		1500000	500000

Akash Ltd. had acquired shares of Dharti Ltd. on 1-4-15. The books of Dharti Ltd. showed debit balance of profit & loss account of Rs.200000 on 1-1-15. Creditors of Dharti Ltd. include Rs.20000 due to Akash Ltd. for goods purchased from it.

From the above information draft consolidated Balance sheet as at 31-12-15.

- Q.4 The trial balance of A Nationalised Bank as on 31st March 2016 showed the following: [15]

Particulars	(Rs.)	Particulars	(Rs.)
Shares Capital	500000	Money at Call	250000
Bills payable	250000	Investments	1300000
Furniture	50000	Land & Building	350000
Bills purchased & Discounted	200000	Loans	500000
Cash Credits	750000	Current A/cs.	1250000
Fixed Deposits	700000	Borrowings	150000
Profit of the year	200000	Cash in hand	80000
Cash at RBI	420000	Savings Account	350000

1. Authorised capital consists of 10000 shares of Rs.100 each.
2. Profit for the year is arrived at before making adjustment for unexpired discount of Rs.15000 on bills discounted.
3. Claim against the bank not acknowledged as debts amounts to Rs.200000.
4. Statutory Reserve is equal to paid up Capital. Provision is required for current year also.

Prepare Balance Sheet showing necessary schedules.

OR

- Q.4 Some balances are extracted from the Bank of India's trial balance as at 31-3-16. [15]
Prepare its profit & loss account in Form B. Also give schedules 13 to 16 for that

Particulars	Rs.
Share Capital (Share of Rs.10)	8000000
Loan Interest	1000000
Overdraft Interest	300000
Cash Credit Interest	250000
Interest on F.D.	220000
Interest on Savings accounts	110000
Interest on Current deposits	5000
Interest on borrowings	3000
Discount received on bills	42000
Rebate on bills discounted (1-4-'15)	8000
Credit balance of P & L A/c. (1-4-'15)	300000
Bank charges recovered from customers	55000
Salaries & allowances	130000
Rent of safe deposit vault	62000
Rent & tax paid	30000
Legal charges	80000
Administrative charges	80000
Audit fees	30000
Director's fees	50000

Other Details :-

- (1) The balance of rebate on bills discounted as on 31-3-2016 amounts to Rs.10000.
- (2) Make provision of Rs.20000 of bad debts and Rs.50000 for taxation.
- (3) Directors proposed dividend at 10% on capital.

