

C.U.SHAH UNIVERSITY

Winter Examination-2015

Subject Name: **Corporate Financial Accounting**

Subject Code: **5MC03CFA1**

Branch: **M.Com(English)**

Semester: **3** Date: **3/12/2015** Time: **2.30 To 5.30**

Marks: **70**

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
 - (2) Instructions written on main answer book are strictly to be obeyed.
 - (3) Draw neat diagrams and figures (if necessary) at right places.
 - (4) Assume suitable data if needed.
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SECTION – I

Q-1 Attempt the Following questions (07)

- a. Explain in brief hire purchase agreements **1**
- b. Name the parties involved in hire purchase **1**
- c. Name any two financial statements to be prepared by company **1**
- d. What is the ceiling of distributing managerial remuneration? **1**
- e. What is meant by managerial remuneration? **1**
- f. Name two items recorded in profit & loss appropriation account **1**
- g. Name two types of intangible assets **1**

Q-2 Attempt all questions (14)

- a) State the provisions of companies act related to managerial remuneration **7**
- b) Discuss rights & duties of hirer **7**

OR

Q-2 Attempt all questions (14)

- a) State any seven items to be deducted for deriving net profit for managerial remuneration **7**
- b) Explain implied conditions & implied warranties **7**

Q-3 Attempt all questions (14)

- a) State the Performa of vertical balance sheet of company **7**
- b) State any five items each to be included in schedule of current assets & current liabilities **7**

OR

Q-3 a) Below is the profit & loss account of x co Ltd. for the year ending 31/3/2012. calculate commission payable to managing director and other directors



@5% and 1% of net profit respectively.

Profit & loss a/c
for the year ending 31/3/2012

Dr		Cr	
Particulars	Amt	Particulars	Amt
To, Administrative Exp.	2,00,000	By, Gross profit	5,77,500
To, Interest on Loans	25,000	By profit on sale of long term investment	20,000
To, Managing Directors remuneration	7,500	By, dividend on shares	10,000
To, Depreciation (Rs. 22500 as per companies act)	27,500	By transfer fees	5,000
To, Director fees	2,000		
To, Capital redemption reserve	20,000		
To, provision for taxation	1,25,000		
To, development rebate reserve	7,500		
To, net profit	1,98,000		
	6,12,500		6,12,500

b) From below information prepare schedule of share capital & reserves & surplus

Authorized capital of equity shares of Rs. 10 each	5,00,000	Debenture redemption fund	25,000
General reserve	2,00,000	Depreciation fund	35,000
Share forfeiture	10,000	Provident fund	10,000
Share premium	20,000	Cash	20,000
Issued equity capital	3,00,000	Profit & loss A/c (cr)	1,00,000
Call in arrears	20,000	Investment	1,50,000

SECTION – II

Q-4 Attempt the Following questions (07)

- | | |
|---|---|
| a. What is the full form of GAAP? | 1 |
| b. What is meant by variable costing? | 1 |
| c. Explain in brief lease | 1 |
| d. What is the full form of EPS? | 1 |
| e. What is meant by absorption costing? | 1 |
| f. Give full form of BEP | 1 |
| g. Give formula of P.V. Ratio | 1 |

Q-5 Attempt all questions (14)

- | | |
|--|---|
| a) State the differences between absorption costing & variable costing | 7 |
| b) Fixed cost Rs. 2,00,000 Selling price per unit Rs.25 & Variable cost per unit is Rs.15 calculate B.E.P, P.V. ratio & profit at a sale of 30,000 units | 7 |



OR

- Q-5** a) State the difference between financial lease & operating lease 7
b) State advantages & limitations of marginal costing 7

- Q-6** **Attempt all questions** (14)
a) Explain different types of lease 7
b) State the effect of bonus issue & share split on EPS 7

OR

- Q-6** **Attempt all Questions**
a) State advantages & limitation of lease 7
b) Find out EPS from below information 7

Particulars	Amt.(Rs.)	Particulars	Amt.(Rs.)
Profit before interest & tax	5,00,000	Equity shares of Rs.10 each	10,00,000
10% Debenture	1,00,000	Rate of income tax	50%
8% preference share	50,000		

