

# C.U.SHAH UNIVERSITY

## Winter Examination-2015

**Subject Name: Corporate Accounting**

**Subject Code: 4MS04CAC1**

**Branch: MAM**

**Semester: 4**

**Date: 20/11/2015**

**Time: 2.30 To 5.30**

**Marks: 70**

**Instructions:**

- (1) Use of Programmable calculator & 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.

<b>Q-1</b>	<b>Attempt the following questions:</b>	<b>(14)</b>
	a) Define equity shares	1
	b) What is meant by preference share?	1
	c) Give example of share at par & at premium	1
	d) What is meant by authorized capital	1
	e) Give full form of CRR	1
	f) What is meant by redeemable preference shares?	1
	g) What is meant by right share?	1
	h) What is meant by bonus shares?	1
	i) What is meant by ratio?	1
	j) Name two methods of financial statement analysis	1
	k) Give formula of current ratio	1
	l) Name any two fixed assets	1
	m) Name any two expenses	1
	n) Name any two incomes	1

**Attempt any four questions from Q-2 to Q-8**

<b>Q-2</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) Explain classification of share capital	7
	b) Explain Pro-rata allotment, share forfeiture & reissue of shares	7
<b>Q-3</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) Explain types of preference shares	7
	b) State advantages & methods of issue of bonus shares	7
<b>Q-4</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) Provide specimen of vertical balance sheet of company	7
	b) State advantages & limitations of financial statement analysis	7
<b>Q-5</b>	<b>Attempt all questions</b>	<b>(14)</b>
	a) Explain classification of ratio analysis	7



b) Explain common size statement with imaginary figures 7

**Q-6** **Attempt all questions** **(14)**

a) X co. wants to issue 1000 equity shares of Rs. 100 each at 5% discount, amount 7

receivable as under. On application Rs.30, on allotment Rs.40 & balance amount on call. Applications received for 1200 shares, excess amount was refunded .All amount received in time. Pass necessary journal entries in the books of X co.

b) X co. has 1000 preference share of Rs. 100 each Rs. 80 paid up. Company wants 7

to redeem it as per the provision of companies act. Company has Rs.60, 000 in general reserve & cash balance of Rs.1, 10,000. Company wants to have minimum new issue of equity shares necessary for this purpose. Pass journal entries for redemption of preference shares

**Q-7** **Attempt all questions** **(14)**

Prepare Final Account(Trading a/c, P&L a/c, P&L Appropriation a/c & vertical B/S) of X Company From Below Trial Balance as on 31/3/14

Particulars	Dr.Bal	Particulars	Cr.Bal
Land & Building	5,00,000	Sales	10,00,000
Goodwill	2,06,000	Equity Shares	3,00,000
Salary	80,000	Preference Shares	2,00,000
Opening Stock	1,50,000	6 % Debentures	1,00,000
Advertisement	90,000	Creditors	4,00,000
Debenture Interest	5,000	Bills Payable	50,000
Debenture Discount	4,000	Loan from Directors	1,00,000
Cash	5,000	Public Deposit	50,000
Bad debt	5,000	B.D.R	10,000
Carriage inward	10,000	Discount	90,000
Carriage outward	25,000	General Reserve	1,00,000
Debtors	3,00,000	Debenture redemption reserve	40,000
Bills Receivable	60,000	Provident Fund	60,000
Shares in Z Ltd(Rs. 7 per	70,000		



share paid up)			
Machinery	3,00,000		
Telephone Deposit	70,000		
Purchase	6,20,000		
	25,00,000		25,00,000

Adjustments:

1. Closing Stock Rs. 3, 00,000
2. Provide RS. 15,000 for Bad Debt & 5 % B.D.R on Debtors
3. Provide Depreciation on Machinery @ 20%
4. Provide Rs.30, 000 to General Reserve, Rs.20, 000 for provision of tax.
5. Proposed preference & equity dividend respectively Rs.30,000 & Rs.20,000

**Q-8**

**Attempt all questions**

**(14)**

- a) Current assets Rs.3, 00,000, current liabilities Rs 1, 50, 000, closing stock Rs.50, 000, Bank O.D.Rs. 25,000.Find out working capital, current ratio & liquid ratio. **7**
- b) EBIT Rs.2,00,000,Interest on debentureRs.20,000,Preference dividendRs.10,000,capital employed Rs.10,00,000,debenture Rs.2,00,000 & preference share Rs.1,00,000.Find out return on capital employed, return on share holders fund & return on equity share holder fund if income tax rate is 50% **7**

