

Enrollment No: _____

Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2018

Subject Name: Corporate Accounting

Subject Code: 4MS04CAC1

Branch: BBA

Semester: 4

Date: 01/05/2018

Time: 10:30 To 01:30

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.
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Q-1	Attempt the following questions:	(14)
	a) Explain authorized capital.	1
	b) What is the meaning of right share?	1
	c) State one example of share issued at discount.	1
	d) What is the meaning of call in arrears?	1
	e) What is the meaning of bonus share?	1
	f) What does section 80 of companies act states in respect of preference share?	1
	g) State two privileges of preference share over equity shares.	1
	h) Name two items under the schedule of loans and advances.	1
	i) State the meaning of contingent liabilities.	1
	j) Name two items under the schedule of provisions.	1
	k) State any two financial statements.	1
	l) State any two methods of financial statement analysis.	1
	m) What is the full name of PAT?	1
	n) Name any two intangible assets.	1

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

Q-2	Attempt all questions	(14)
	a Explain classification of share capital in brief.	7
	b Explain forfeiture and reissue of shares with imaginary figures.	7
Q-3	Attempt all questions	(14)
	a Explain convertible and nonconvertible preference share and redeemable and non redeemable preference share.	7
	b Explain different methods of issue of bonus share.	7
Q-4	State vertical format (Specimen) of balance sheet with all detailed schedules.	14



- Q-5** **Attempt all questions** (14)
- a State advantages and limitations of ratio analysis. 7
- b Explain common size statement method with imaginary figures. 7

- Q-6** **Attempt all questions** (14)
- a A Company Ltd. wants to issue 5,000 equity shares of Rs. 10 each .Amount to be received as under. Rs. 3 on application, Rs. 3 on allotment, Rs.1.50 on 1st call and balance on final call. Mr. X who was allotted 200 shares couldn't pay 1st& final call. Mr. Y who was allotted 150 shares couldn't pay final call. Shares of Mr. X & Mr. Y were forfeited after final call and same were reissued to Mr. Z @ Rs. 6 per share as fully paid. Pass necessary journal entries in the books of A Company Ltd. 7
- b X Co. wants to issue 10,000 equity share of Rs.100 each. Applications of 16000 shares were received .1000 applications for shares were fully rejected and remaining share holders were issued shares pro-rata. Amount receivable on application Rs.30, on allotment Rs.50 & balance on call. Mr. A who was allotted 250 shares wants to pay allotment money calculate how much he is required to pay.(working note is required) 7

- Q-7** Below is the balance sheet of X Company Limited as on 31/03/17. 14

Liabilities	Amount	Assets	Amount
8 %Preference share capital of Rs.10 each fully paid	100000	Fixed Assets	300000
7 %preference shares of Rs.10 each Rs. 9 paid up	63000	Investment	80000
Equity shares	300000	Closing stock	170000
Reserves	75000	Cash	150000
Share premium	9000		
Other liabilities	153000		
Total	700000	Total	700000

On 1/4/17 both the types of preference shares were to be redeemed at 10% premium complying the provision of companies act. Investment was sold for Rs. 85000. For this purpose necessary new equity shares are to be issued.Resultant reserve created for redemption of preference shares was utilized for issuing fully paid bonus shares. Pass necessary journal entries and prepare balance sheet after redemption of preference shares and bonus shares

- Q-8** **Attempt all questions** (14)
- a Below is the Balance sheet as on 31/03/17. Calculate current ratio, liquid ratio, 7



debt equity ratio and proprietary ratio

Liabilities	Amount	Assets	Amount
6% Preference share capital of Rs.10 each fully paid	150000	Fixed Assets	300000
7% debentures	140000	Closing stock	150000
Equity shares	200000	Debtors	50000
Reserves	80000	Bills Receivable	50000
Share premium	20000	Cash	110000
Creditors	80000	Prepaid Rent.	30000
Bank OD	30000	Advertisement suspense account	10000
Total	700000	Total	700000

- b** Find out gross profit ratio, net profit ratio, operating ratio and stock turnover ratio from below information

7

Particulars	Amount
Sales	230000
Purchase	110000
Purchase related expense	7000
Opening stock	25000
Closing stock	35000
All expenses including financial expenses	35000
Rate of income tax	40%

