

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2017-18 Examination

Semester: 3
Subject Code: 06101205
Subject Name: Company Accounts

Date: 11/06/2018
Time: 2:00 pm to 4.30 pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.**A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)**

1. Bonus to existing shareholder is paid to them
 - a) In the form of cash
 - b) In the form of debenture
 - c) In the form of share
 - d) In the Form of Mutual Fund
2. Preparing Final accounts, preliminary expenses not written of is shown in---
 - a) General reserve account
 - b) Profit and Loss Account
 - c) Balance sheet
 - d) Capital reserve account
3. When net assets are less then purchase consideration then the difference debited to --
 - a) Goodwill Account
 - b) Capital reserve account
 - c) General reserve Account
 - d) Profit and loss account
4. In amalgamation process, share received from new company is recorded at ----
 - a) Market price
 - b) Book value
 - c) Average price
 - d) None of above
5. Forensic accounting detect--
 - a) Financial frauds
 - b) Criminal Fraud
 - c) Non-Financial Fraud
 - d) All of above

B). Define the following. (Each of 1 mark) (05)

1. Bonus Share
2. Stock option
3. Contingent liabilities
4. Amalgamation
5. Inflation

C). Direct questions. (Each of 1 mark) (05)

1. What is environmental accounting?
2. What you mean by Corporate Governance?
3. What is the Journal entry of "Purchase consideration"?
4. What are the methods of calculating purchase consideration
5. What you mean by buyback of share?

Q.2 Attempt the following question**A). The Balance sheet of X Ltd as at 31st March 2017 are as follow (07)**

Liabilities	Rs.	Assets	Rs.
Share capital Authorised	150000	Freehold assets	75000
Share capital		Stock	50000
Issued 10000 share of Rs. 10	100000	Debtors	25000

Profit & Loss account	70000	Bank Balance	110000
5% Debentures	60000		
Creditors	30000		
	260000		260000

At the annual meeting it was agreed:

- 1) To pay dividend in cash of 10% of paid up share capital
- 2) To issue 1 bonus share for every four old share held
- 3) To repay debenture at 3% premium

Give necessary journal entries and give balance sheet after transactions are completed

B). Explain roles of forensic accountant (08)

Q.3 Attempt the following question

A). The following was the balance sheet of Jay ltd ad on 31/03/2017: (07)

Liabilities	Rs.	Assets	Rs.
Paid Up capital:		Goodwill	100000
Equity share capital (Rs. 100 Each)	1000000	Land & Building	300000
6% Preference Share Capital (Rs. 100 Each)	500000	Plant & Machinery	600000
Bank Loan	150000	Investment	100000
10% Debenture	200000	Stocks	250000
Creditors	150000	Debtors	300000
		Cash and Bank	170000
		Preliminary Expenses	30000
		P& L Account	150000
	2000000		2000000

The directors of Jay Ltd has decide to merge their company with Vijay Ltd with authorized share capital of 15000 equity shares of Rs. 100 each and 5000 10% preference share of Rs. 100 each. Vijay Ltd agree to buy all the assets and liabilities of Jay Ltd except Investment. The market value of assets and payment terms are follows:

1. The equity share of Jay Ltd will be given 6 fully paid up share of Vijay Ltd. for every 5 share held by them at 10% premium.
2. Preference shareholder of Jay Ltd, will be given 4 fully paid up preference share of Vijay Ltd for every 5 preference share of Jay Ltd and Cash Rs. 50000
3. 10% of debenture are replace with 12% of debenture at 10% discount on issued price of new debenture
4. Vijay Ltd will provide additional cash of Rs. 14000 as a part of Purchase consideration

Pass necessary journal entries in the book of Vijay Ltd and Prepare balance sheet

B). The Trial Balance of Stalin Ltd. as on 31st March 2017 was as under, Prepare balance sheet as per Company Act 1956, schedule VI 148 (08)

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening Stock	70000	Equity share capital	600000
Land & Building	400000	12% Preference Share	150000
Plant and Machinery	300000	10% Debenture	150000
Debtors	200000	Creditors	100000
Octroi	90000	Loan of Director	20000
Selling and distribution expenses	20000	Interest on Investment	8000
Carriage Inward	8000	Staff pension fund	8000
Wages	340000	Bills payable	10000

Admin expenses	85000	Fixed Deposits	24000
Vehicle	60000	General reserve	70000
Telephone Deposit	10000	Share forfeited	10000
Director's fees	10000	P& L A/c (01/04/2016)	30000
Interest on Debenture	6000	Sales	1560000
Investment	150000		
Discount on Debenture	40000		
Loose tools	6000		
Bills Receivable	20000		
Cash & Bank	25000		
Purchase	900000		
Total	2810000	Total	2810000

Additional Information:

1. Authorised share capital : 15000 equity shares of Rs. 100 each and 3000 preference share of Rs. 100 each
2. Closing stock Rs. 140000
3. Depreciation on Land and building 5%, Plant and machinery 10% and 20% on vehicle.
4. Interest receivable on Investment Rs. 7000
5. Bad deb reserve by 5% on debtors
6. General Reserve Rs. 20000 transferred
7. 10% proposed dividend
8. Redeem 10% of debenture at Par.

Q.4 Attempt any two questions. (Each of 7.5 mark)

(15)

1. Prepare imaginary Profit & Loss account, and show the effect of different adjustments
2. Rupa Ltd has been purchased by Sabina ltd. with purchase consideration of Rs. 2,22,000 including 18000 equity share of Rs. 10 each with 10% premium and additional Cash Rs. 2 per share of Rupa ltd. the net assets of Rupa ltd are as follow:

Particulars	Rs.	Rs.
Assets		
Land and Building	60000	
(+) 25% ore Market Prices	15000	75000
Machinery	60000	
(-) 20% Less Market Price	12000	48000
Stock		26250
Debtors	37500	
(-) Discounted	1875	35625
Bank Balance		15000
Total Assets		<u>199875</u>
Less: Debenture	45000	
(+) 8% Premium	3600	48600
Net Assets		<u>151275</u>

In addition Rupa ltd have Goodwill Rs. 15000 and Investment Rs. 22500 (Sold at Rs. 24000)
Prepare (1) Realization account and Pass necessary journal entries in the book of Sabina Ltd.

3. What are the ways to buyback the equity share? Explain in detail.
4. What is Human resource accounting? Discuss various methods for valuation of human Recourses accounting.