



Seat No. _____

HN-161100010407
B. B. A. (Sem.-IV)
(W.E.F. 2016) Examination
April - 2023
Advance Corporate Accounting

Time : Hours / Total Marks : 70

1 Profit and Loss Account of Aayushi Ltd. disclosed a net profit of Rs. 7,50,000. While preparing profit and loss A/c. following items have been taken into consideration. **14**

- (i) Bounties and subsidies received from
- | | |
|------------------|----------|
| Government | 1,20,000 |
|------------------|----------|
- (ii) Bonus paid to a foreign technician..... 1,10,000
- (iii) Provision for Income Tax 7,00,000
- (iv) Compensation paid to an injured worker
including Rs.10,000 paid voluntary) 30,000
- (v) Repairs of a capital nature 1,00,000
- (vi) Loss on sale of long term investment 40,000
- (vii) Profit on sale of fixed assets (book value of
assets was 7,000 and original cost Rs. 90,000)..... 30,000
- (viii) Development rebate reserve..... 1,60,000

Calculate:

- (a) Maximum remuneration payable to a Managing Director and three part-time directors.
- (b) Maximum remuneration payable to Manager and two part-time directors.

OR

- 2 A Co. Ltd. has authorized capital of Rs. 50,00,000 divided into 14
1,00,000 equity shares of Rs. 50 each. The company issued for
public subscription 50,000 shares at a premium of Rs. 10 each.
The entries issue was underwritten as follows:

X 30,000 shares (Firm Underwriting 5,000 shares)

Y 15,000 shares (Firm underwriting 2,000 shares)

Z 5,000 shares (Firm underwriting 1,000 shares)

Out of the total issue 45,000 shares, including firm underwriting,
were subscribed. The following were the Marked Forms:

X 16,000 shares Y 10,000 shares Z 4,000 shares

Calculate the Liability of Each underwriter. Underwriters are not
given any benefit for firm underwriting.

- 3 Following accounting information is obtained relating to 14
Pranav Ltd.

	Rs.
Sales	30,00,000
Cost of goods sold	<u>15,00,000</u>
	15,00,000
Administrative, Selling and financial expenses	<u>5,00,000</u>
	10,00,000
Taxes	<u>5,00,000</u>
Net Profit	<u>5,00,000</u>

Balance Sheet

Liabilities	Rs.	Assets	Rs.
10% preference		Fixed Assets	55,00,000
Share capital	20,00,000	Stock	2,00,000
Equity share capital	20,00,000	Debtors	3,00,000
Reserves	10,00,000	Bills Receivable	1,00,000
10% Debentures	11,00,000	Cash	2,00,000
Creditors	1,50,000	Fictitious Assets	1,00,000
Bank Overdraft	1,00,000		
Bills Payable	40,000		
Outstanding Exp.	10,000		
	64,00,000		64,00,000

Opening stock was Rs. 3,00,000. Assume 360 days in a year. Compute the following ratios and give a brief statement on financial position.

- (1) Gross Profit Ratio
- (2) Opening Ratio
- (3) Stock Turnover Rate
- (4) Current Ratio
- (5) Debtors' Ratio
- (6) Proprietary Ratio
- (7) Liquid Ratio
- (8) Net Profit Ratio

OR

3 Following are the balance sheets of Dhurv Ltd. as on 31st December, 2011 and 2012. **14**

Liabilities	31-12-11	31-12-12	Assets	31-12-11	31-12-12
Equity shares			Land and		
Capital	1,00,000	1,50,000	Building	80,000	75,000
General Reserve	60,000	10,000	Plant and		
Profit and Loss A/c.	5,000	30,000	machinery	42,000	85,000
Bank Overdraft	-----	65,000	Furniture	7,000	6,000
Mortgage Loan	-----	40,000	Investment	6,000	12,000
(secured on Plant)			Stock	27,500	94,500
Provision for tax	10,000	15,000	Sundry Debtors	46,500	77,250
Creditors	30,000	20,000	Cash	2,000	7,250
Bills Payable	10,000	30,000	Share discount	4,000	3,000
	2,15,000	3,60,000		2,15,000	3,60,000

You are required to prepare a comparative balance sheet and offer your comment thereon.

- 4 The balance sheet of Sudama com Its as on 31-3-2011 are 14
as follows:

Liability	Rs.	Assets	Rs.
12% Preference share	3,00,000	Goodwill	1,00,000
Equity share capital	8,00,000	Land and Building	6,00,000
Share Premium	1,00,00	Machinery	8,00,000
Profit and Loss A/c.	1,50,000	10% Govt.Security	1,50,000
General Reserve	3,00,000	15% Debenture of	
10% Debenture	2,00,000	Bansi Ltd. (Face	
Worker Profit		value 1,00,000)	90,000
Sharing fund	40,000	Stock	3,00,000
Creditor	1,70,000	Debtors	1,70,000
Provident Fund	1,50,000	Cash	80,000
Proposed dividend		Prepaid expense	30,000
Preference	36,000	Preliminary Exp.	30,000
Equity	1,04,000		
	23,50,000		23,50,000

The additional information are as follow :

- (1) The market value of land and building is twice than the book value.
- (2) The machinery require 20% depreciation.
- (3) The stock include useless costing Rs. 40,000 having no scrap value.
- (4) The profit (before 50%) tax of the last three years are as
2008-09 Rs. 9,00,000 and 2009-10
Rs. 12,00,000 and 2010-11 Rs. 14,00,000
- (5) The expected rate of return is 10%

Calculate goodwill of 3 years purchase of super profit method.

OR

- 4 The following balance sheet of Mehul Ltd. as on 31-3-2016 are 14
as under :

Liabilities	Rs.	Assets	Rs.
Share Capital		Goodwill	3400
10% preference capital	4,00,000	Land and building 5,40,000	5,20,000
		Less Depreciation 20,000	
Equity share capital	4,00,000	Machinery	4,80,000
Reserve and surplus	1,28,000	Furniture	52,600
Profit and Loss a/c	32,000	10% Investment against provident fund	40,000
15% Debenture	1,60,000	12% Debenture of ABC com Ltd. 45,600 face value 48,000	45,600
Provident fund	40,000	Stock	32,000
Creditor	32,000	Debtor	22,400
Bills Payable	14,000	Cash and Bank	10,000
	12,06,000		12,06,000

The Additional Information are as follow :

- (1) The present market value of land and building Rs. 5,69,600
- (2) The company average annual profit before deduction 50% tax
Rs. 2,24,000
- (3) The expected rate of return on capital employed is 10%
- (4) The value of Goodwill of the company Rs. 6,800

Calculate the Fair Value of equity share.

- 5 Write any two : 14

- (i) Importance of EVA
- (ii) Steps of EVA
- (iii) EVA and EPS
- (iv) EVA and DCF