

School of Business

BBA
ETE - Jun 2023

Time : 3 Hours

Marks : 100

Sem IV - D1UA407T - Company Accounts

*Your answer should be specific to the question asked
Draw neat labeled diagrams wherever necessary*

1. Compare amalgamation in the nature of merger with amalgamation in the nature of purchase. K2 CO2 (5)
2. Explain the term debenture. Classify the different types of debentures that are available for investment? K2 CO1 (5)
3. Classify non-current assets as per the sequence given in schedule III of the company's act 2013. K2 CO2 (5)

4. K3 CO3 (10)

Liabilities	Q Ltd (Rs.)	P Ltd (Rs.)	Assets	Q Ltd (Rs.)	P Ltd (Rs.)
Share capital (in shares of Rs. 100 each)			Tangible assets		
Trade payables	1,50,000	2,00,000	Investments in	3,00,000	3,20,000
Reserves	2,50,000	60,000	1,000 Shares of		
Surplus	50,000	40,000	P Ltd.	3,00,000	-
	1,00,000	20,000	(bought on 31- 3-2017)		
				6,00,000	3,20,000

Using AS-21, Build a consolidated balance sheet at the end of March, 2017.

- 5) Analyze the following information and compute the exchange ratio using swap ratio method. Also comment on the discharge of purchase consideration based on the calculated ratio: K4 CO3 (10)

	J Ltd. (Purchasing Co.)	L Ltd. (Vendor Co.)
1 Total Assets	1,00,00,000	20,00,000
2 Liabilities	36,00,000	12,00,000
3 No. of Equity shares	40,000	10,000

OR

On the basis the assumed balance sheet you are required to calculate purchase consideration. K4 CO3 (10)

Liabilities	Amount (rupees)	Assets	Amount (rupees)
Share capital		Goodwill	
6% Debentures	3,00,000	Land and Building	80,000
Sundry Creditors	1,00,000	Plant	1,00,000
General Reserve	50,000	Stock	70,000
Profit and Loss account	35,000	Debtors	80,000
	15,000	Cash	60,000
		Preliminary expenses	75,000
		Discount on shares	20,000
		A/C	15,000
	5,00,000		5,00,000

The transferee company takes over the business of the transferor company on the following terms and valuation-

The value that has been placed on the various assets are:

Goodwill for Rs. 60,000, Land and Building Rs. 1,20,000, Plant Rs. 60,000, Stock Rs. 75,000, Debtors Rs. 55,000. Further the cash to not be taken over and creditors to be satisfied at Rs. 40,000.

PTO

6. Analyze the following case and pass necessary journal entries. K4 CO4 (10)
 The directors of a company X Ltd. forfeited 500 shares of Rs. 50 each, Rs. 40 being called up, on which Pari, a shareholder paid application and allotment moneys of Rs. 25 per share but did not pay first call money of Rs. 15 per share. Out of these forfeited shares, X Ltd. subsequently reissued 350 number of shares as fully paid up for Rs. 40 per share.
7. The Adarsh Control Device Ltd was registered with the authorized capital of Rs 3,00,000 divided into 30,000 shares of Rs 10 each, which were offered to the public. Amount payable as Rs 3 per share on application, Rs 4 per share on allotment and Rs 3 per share on first and final call. These share were fully subscribed and all money was dully received. Show journal of the company. K2 CO3 (10)
- 8) Answer the following K5 CO5 (15)
1. Explain the Need and Factors affecting valuation of the shares (any 5).
 2. A limited company declares a dividend of 20% on its shares of Rs. 100, Rs. 75 paid up. The shares are quoted in the market at Rs. 120. Calculate the normal rate of return. Show clear working of the calculated figure.

OR

- The net profits of a company after providing for taxation for the last five years are Rs. 84,000, Rs 94,000, Rs. 90,000, Rs. 82,000, Rs. 90,000. The capital employed in the business is Rs. 8,00,000 on which a reasonable return of 10% is expected. Calculate the value of goodwill by both capitalization of average profit and capitalization of super profit method. K5 CO5 (15)
9. Analyse the trial balance of V Ltd. and prepare the Balance Sheet of the company as on 31st March 2015 as per Schedule III of the Companies Act. K4 CO4 (15)

Debit	Amount	Credit	Amount
Advances to employees	3,00,000	Equity Share Capital	52,00,000
Cash at Bank	3,14,320	Capital Reserve	60,000
Furniture & Fixture	7,50,000	Loan from SBI	8,00,000
Premises	41,09,940	Provision for Employees Welfare Fund	6,00,000
Patents	10,00,000	Proposed Dividend	1,64,000
Discount on issue of shares (unwritten off)	25,000	Short term loan from bank	4,90,200
Trade Receivables	3,66,240	Unpaid dividend	64,800
Advance Tax	50,000	Profit & Loss A/c	42,980
8 % Govt. Bonds	3,36,000	Bills Payable	85,100
Stock in trade	3,55,600	Sundry creditors	1,00,020

76,07,100

76,07,100

10. The net profits of a company A Ltd. for the past seven years were as follows- K5 CO5 (15)

Year	Amount
2009	40,000
2010	1,40,000 (Loss)
2011	80,000 (Loss)
2012	5,00,000
2013	5,40,000
2014	6,00,000
2015	6,40,000

The capital invested in the business is Rs. 24,00,000. Normal rate of return is 10%. Calculate value of goodwill on the basis of 3 years' purchase of average super profit earned during the seven years.