

B.C.C.A. (CBCS Pattern) Semester-II
UBCCAT202 - Financial Accounting-II

P. Pages : 4

Time : Three Hours



GUG/W/24/10620

Max. Marks : 40

- Notes : 1. All questions are compulsory.
2. All questions carry equal marks.

1. a) What do you mean by Joint Stock Company? Explain its characteristics. 4
- b) Aditi Co. Ltd. issued for subscription 25,000 preference shares of Rs. 100 each with a premium at Rs. 125 per share payable as under: 4
- | | |
|--------|-----------------------------|
| Rs. 25 | On Application |
| Rs. 55 | On Allotment (with premium) |
| Rs. 20 | On First (Allotment) Call |
| Rs. 25 | On Final Call |

All the shares were subscribed. All the amount were duly received except the following.

- 1) Shri Harshal, holding 300 shares did not pay allotment and First Call money.
- 2) Mr. Vasu, holding 500 shares did not pay the first and final call money.

Shares of Mr. Harshal and Mr. Vasu were forfeited at a proper time.

Give Journal entries regarding forfeiture of shares in the books of Aditi Co. Ltd.

OR

- c) The Megha Trading Co. Ltd., issued 5,000 shares of Rs. 20 each at a premium of Rs. 4 per shares. The amount was payable as under: 8
- | | |
|----------------|---------------------------------------|
| On Application | Rs. 4 per shares |
| On Allotment | Rs. 10 per shares (including premium) |
| First Call | Rs. 6 per shares |
| Final Call | Rs. 4 per shares |

Company received applications for 8,000 shares and the directors rejected applications for 2,000 shares and refunded the applications money received thereon. The shares were allotted pro-rata among the remaining applicants and the excess amount received from them on application was transferred to the allotment account.

50 shares were allotted to Laxman, who failed to pay the allotment money and his shares were forfeited on the non payment of the both calls.

All forfeited shares were subsequently reissued to Ram at the rate of Rs. 18 per share of fully paid.

Give necessary journal entries in the books of the company.

2. a) The following information is given to you: 4
- a) Average Capital Employed Rs. 12,00,000
 - b) Company declares 15% dividend on the shares of Rs. 20 each fully paid.
 - c) Net trading profit of the company (after tax) for the past 3 years.
Rs. 1,81,400, Rs. 2,15,200 & Rs. 2,25,000

You are required to compute the value of Goodwill on the basis of 5 years purchase of super profits of the business.

- b) The following particulars are available in respect of the business carried on by Trupti Co. Ltd. 4
- Capital Invested Rs. 2,50,000
 Trading Result : 2014 Rs. 61,000
 2015 Rs. 75,000
 2016 Rs. 10,000 (Loss)
 2017 Rs. 1,05,000

Market rate of interest on investment 8% rate of risk on capital invested in business 2%
 Remuneration of the proprietor from alternative employed per annum Rs. 18,000.
 You are required to compute the value of Goodwill on the basis of 3 years purchase of the super profits of the business calculated on the average profits of last four years.

OR

- c) On 31st December, 2018 the Balance Sheet of a limited company was as follows: 8

Liabilities	Rs.	Assets	Rs.
Issued Capital in @		Fixed Assets	5,00,000
Rs. 10 shares	4,00,000	Current Assets	2,00,000
Reserves	90,000	Goodwill	40,000
Profit & Loss A/c.	20,000		
5% Debentures	1,00,000		
Current Liabilities	1,30,000		
	7,40,000		7,40,000

On 31st Dec. 2018, the fixed assets were independently valued at Rs. 5,50,000 and the Goodwill at Rs. 50,000.

The net profits for three years were:

2016	Rs. 51,600
2017	Rs. 52,000
2018	Rs. 51,650

20% of the profit was placed to reserve, this proportion being considered reasonable in the industry in which company is engaged and where a fair investment return may be taken at 10%.

Compute the value of company's share by:

- a) The Net Assets Method
- b) The Yield Method

3. a) A fire occurred in the premises of M/s. Samrat provisions on 15 July 2019 destroying a major part of his stock which at 1st January 2019 appeared in the books at Rs. 2,50,000. The value of the stock salvaged was Rs. 30,000. The fire insurance policy for Rs. 2,00,000 was taken to cover loss of stock by fire. 4
- The gross profit on sales was 30% and sales amounted to Rs. 3,00,000 from 1st Jan. 2019 to date of fire, while for the same period the purchase amounted to Rs. 2,00,000.
 Calculate the amount of claim.

- b) Fire occurred in the premises of M/s. Kamble Traders. On 1st July, 2019 and the account books were saved from fire. The following information was obtained.

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	Rs.
Purchase for the year ended 31.12.2018	1,00,000
Sales for the year ended 31.12.2018	1,50,000
Purchase from 1 st Jan. 2019 to 1 st July, 2019	80,000
Sales from 1 st Jan. 2019 to 1 st July, 2019	1,20,000
Stock on 31 st December, 201	60,000
Stock on 31 st December, 2017	40,000

The stock salvaged valued at cost Rs. 4,000. Calculate amount of claim for the loss of stock.

OR

- c) The premises and stock of M/s. Ganpati Stores were totally destroyed by fire on 31st March, 2019. From the account books and other records that were saved the following information is available.

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The stock on hand has always been valued at 10% less than cost.

	2017 (₹)	2018 (₹)	2019 (upto 31.3.2019) (₹)
Opening stock at valued	40,500	45,000	54,000
Purchase less return	1,15,000	1,20,000	10,000
Sales less return	1,50,000	1,60,000	20,000
Wages	10,000	18,000	4,000
Closing stock	45,000	54,000	?

Prepare a statement of submission to the insurance company in support of the claim for loss of stock.

4. a) Liquidator of a company in liquidation is entitled to a remuneration of 3% on amount realized (excluding cash in hand) and 2% on the amount distributed to the unsecured creditors and preferential creditors. Unsecured creditors including preferential creditors of Rs. 5,000 amounted to Rs. 40,000.

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Debenture-holders were paid Rs. 51,875 together with interest-interest. Preferential Creditors were paid in full Rs. 510 were spent on cost of liquidation. Cash in hand was Rs. 1,000 and assets realized Rs. 79,000. Find out Liquidator's Remuneration.

- b) A company under liquidation had following assets realized by the liquidator for amount shown against each asset.

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Assets	Book Value (Rs)	Realization Value (Rs.)
Plant	5,00,000	4,50,000
Premises	4,00,000	5,00,000
Stock	2,00,000	50,000
Debtors	2,50,000	2,10,000
Cash	15,000	15,000

In addition to above, assets having book value of Rs. 4,00,000 were mortgage will fully secured creditors for Rs. 2,00,000. The creditors sold the assets themselves for Rs. 2,80,000 and returned the surplus to the liquidator.

Liquidator is to be paid 3% commission on the amount realized by him (except cash).

Show the above particulars in the liquidators Statement of Account.

OR

- c) Aditi Co. Ltd. went into Voluntary Liquidation on 30th June, 2018 when their balance read as follows: 8

Liabilities	Rs.	Assets	Rs.
Share Capital: 400 equity shares @ Rs. 50 fully paid	20,000	Building	15,000
800 equity shares of Rs. 50 each, Rs. 25 per share paid	20,000	Book Debts	12,000
Creditors	40,000	Stock	10,000
Bank Overdraft (Against call at eral security of 6% mortgage debentures)	5,000	Profit & Loss A/c.	48,000
	85,000		85,000

The Assets realized:

Rs. 10,000 from Building, Rs. 10,000 from Book debts and Rs. 11,000 from stock.

There being a deficiency of assets for meeting the claims of creditors, a call is made on the contributories of 800 partly paid up shares.

The call is made for the amount sufficient to enable the liquidator to pay the unsecured creditors in full, to meet liquidation expenses and liquidator's remuneration which amounted to Rs. 1,825 and to return some amount to the holder's of 400 fully paid up equity shares so as to bring them on equal rank with the holder of 800 fully equity shares in respect of paid up value of shares.

The call is realized in full interest on overdraft upto the date of discharge amounted to Rs. 175. The creditors included Rs. 600 for the rates for the quarter ended 30th June, 2018 and Rs. 3,000 for wages and salaries for June 2018.

The liquidation was completed on 23rd Sep. 2018.

Prepare Liquidation Final Statement of Account.

5. Short Answer:

- a) Explain forfeiture of shares. 2
- b) Need for valuation of Goodwill. 2
- c) Explain average clause. 2
- d) Explain the functions of liquidators. 2
