

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

P. Pages : 4

Time : Three Hours



GUG/S/23/10620

Max. Marks : 40

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

1. a) State the types of share capital. 4
- b) Narang Trading Co. Ltd. has issued share capital of Rs. 1,00,000 in equity shares of Rs. 10 each, on which Rs. 7.50 per share was called and paid. 4
When the final call of Rs. 2.50 per share was made, all the shareholders paid their moneys in full excepting two shareholders, one holding 200 shares and the other 100 shares. These shares were forfeited in due course and were reissued at Rs. 5 per share fully paid. Give the Journal entries for (1) Forfeiture, (2) Reissue and (3) the closure of the shares Forfeited Account.

OR

- c) Jaibhim Ltd. having an authorized capital of Rs. 4,00,000 divided into 40,000, Equity shares of Rs. 10 each, issued 30,000, Equity shares for public subscription. All the shares issued were applied for. The amounts were called as under. 8
Application Money Rs. 2 per share
Allotment Money Rs. 4 per share
First Call Rs. 2.50 per share
Final Call Rs. 1.50 per share
All the amounts were received except the following:
Mr. Ram holding 200 shares did not pay first and final calls.
Mr. Ganesh holding 300 shares did not pay final call.
Mr. Varun who holds 100 shares paid first and final calls amount alongwith allotment. Pass necessary Journal entries in the books of the Jaibhim Ltd.
2. a) The net profits of a company after provision for taxation for the past five years are 4
Rs. 40,000, Rs. 42,000, Rs. 45,000, Rs. 46,000 and Rs. 47,000. The capital employed in the business is Rs. 4,00,000 on which a reasonable rate of return of 10% is expected. It is expected that the company will be able to maintain its super profits for the next five years. Calculate the value of Goodwill at 3 years purchase of average super profit.
- b) On 31st December, 2022 the Balance Sheet of a Jyoti Ltd. Company was as follows: 4

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

On 31st Dec., 2022, 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:

2020	Rs. 51,600
2021	Rs. 52,000
2022	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.

OR

c) Balance Sheet of Golden Co. Ltd. on 31-03-2023:

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Liabilities:	
Share 2000 shares of Rs. 100 each	2,00,000
General Reserve	40,000
Profit & Loss A/c.	32,000
Sundry Creditors	1,28,000
Income Tax Reserve	60,000
	4,60,000
Assets:	
Land & Buildings	1,10,000
Plant & Machinery	1,30,000
Patents & Trade Marks	20,000
Stock	48,000
Debtors	88,000
Bank Balance	52,000
Preliminary Expenses	12,000
	4,60,000

The expert valuer valued the Land & Building at Rs. 2,40,000 Goodwill at Rs. 1,60,000 and Plant & Machinery at Rs. 1,20,000. Out of the total debtors, it is found that Debtors of Rs. 8,000 are bad.

The profits of the company have been as follows:

Year	
2020-21	80,000
2021-22	90,000
2022-23	1,06,000

The company follows the practice of transferring 25% of profit to General Reserve. Similar type of companies earn at 10% the value of their shares.

Ascertain the value of shares of the company under:

- Intrinsic value method
- Yield value method

Ignore Taxation and depreciation on increased values of Land & Building and Plant & Machinery.

3. a) On 17th June, 2022 a fire occurred in the premises of M/s. Gourkar a book-seller. Most of the stocks were destroyed. Cost of salvaged stock being Rs. 11,200. In addition, some stock was salvaged in damaged condition and its value was agreed at Rs. 10,400. From the books of accounts following particulars were available:

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- Stock at close of accounts on 31st Dec., 2021 was valued at Rs. 75,000.
- Purchase from 1-1-20 to 17-6-2022 amounted to Rs. 1,25,000 and sales during that period amounted to Rs. 1,80,000.
- On the basis of past 3 years it appears that an average gross profit of 25% is earned on sales.

Stock was insured for Rs. 60,000.

Compute the amount of claim.

- b) The godown of Shankar was destroyed by fire on 31st May, 2022. Records saved from the fire showed the following particulars: 4

	Rs.
Sales for the year ended 2019	1,40,000
Gross Profit for the year ended 2019	28,000
Sales for the year ended 2020	1,70,000
Gross Profit for the year ended 2020	34,000
Sales for the year ended 2021	1,86,000
Gross Profit for the year ended 2021	37,200
Opening Stock on 1 st Jan, 2022	42,000
Purchases during 1 st Jan, 2022 to 31 st May, 2022	41,000
Wages during 1 st Jan, 2022 to 31 st May, 2022	12,000
Goods taken for personal use during 1 st Jan, 2022 to 31 st May, 2022	6,000
Goods stolen on May, 2022	5,000
Sales during 1 st Jan, 2022 to 31 st May, 2022	75,000
Goods salvaged	1,000

Calculate the amount of Claim.

OR

- c) Fire broke in the premises of M/s. Saket & Co. on 30th June, 2022 and all the stock and account books were destroyed. But the following information could be collected from the various other records: 8

- 1) Books are closed on 31st March, every year
 - 2) Stock of goods on 31st March, 2022 - Rs. 1,00,000
 - 3) Debtors as on 31st March, 2022 - Rs. 35,000
 - 4) Creditors as on 31st March, 2022 - Rs. 20,000
 - 5) Cash received from debtors between 1st April, 2022 and 30th June, 2022- Rs. 2,10,000
 - 6) Cash paid to creditors between 1st April, 2022 and 30th June, 2022 - Rs. 1,25,000
 - 7) Cash Sale between 1st April, 2022 and 30th June, 2022 - Rs. 80,000
 - 8) All purchases are on credit
 - 9) Debtors and Creditors as on 30th June, 2022 were Rs. 25,000 and Rs. 25,000 respectively.
 - 10) Gross Profit rate during 2021-22 was 30%
 - 11) Stock was insured for Rs. 30,000
 - 12) Goods salvaged Rs. 2,000
- Ascertain the amount of claim for loss of stock.

4. a) Arhant & Co. Ltd. went into liquidation. Its assets realised Rs. 3,50,000 excluding amount realised by the fully secured creditors from the sale of securities held by them. The following was the position: 4

Share capital : 1,000 shares of Rs. 100 each.

	Rs.
Secured Creditors (Securities realised Rs. 40,000)	35,000
Preferential Creditors	6,000
Unsecured Creditors	1,40,000
Debentures having a floating charge on the assets of the company.	2,50,000
Liquidation Expenses	5,000
Liquidator's remuneration	7,500

Prepare the liquidator's final statement of account.

- b) 'Sona' Co. is liquidated. The liquidator has a balance of Rs. 5,21,600 with him after all the external liabilities, including his commission on realization of assets, have been paid. He is still to be paid remuneration at 2% on the amount paid to Equity Shareholders. The company's share capital consisted of: 4

- i) 6% Cumulative Preference shares 2,00,000
- ii) Equity Shares 4,00,000

The preference shareholders were not paid dividend for last 3 years.

Find out the amount payable to Equity shareholders.

OR

- c) A company went into liquidation on 31st March, 2022, when the following Balance Sheet was prepared: 8

Liabilities	Rs.	Assets	Rs.
Authorised Capital:		Goodwill	50,000
30,000 shares of Rs. 10 each	3,00,000	Leasehold Property	48,000
Subscribed and Paid up Capital:	-----	Plant & Machinery	65,500
19,500 shares of Rs. 10 each	1,95,000	Stock	56,800
Sundry Creditors:		Sundry Debtors	64,820
Preferential 24,200		Cash	2,200
Partly secured 55,310		Profit & Loss A/c.	98,980
Unsecured 99,790	1,79,300		

Bank Overdraft (Unsecured)	12,000		
	3,86,300		3,86,300

The liquidator realised the assets as follows:

	Rs.
Leasehold Property which was used in the first instance to pay the partly secured creditors prorata	35,000
Plant & Machinery	51,000
Sundry Debtors	58,500
Stock	39,000

The expenses of liquidation amounted to Rs. 1,000 and the liquidator's remuneration was agreed at 2.5% on the amount realised, including cash and 2% on the amount paid to the unsecured creditors (including preferential creditors).

You are required to prepare the Liquidator's Final Accounts showing the order of distribution.

5. Write in short answers:

- a) Write the effect of forfeiture of share. 2
- b) Necessity of valuation of goodwill. 2
- c) Average clause. 2
- d) Method of winding up of companies. 2
