

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

P. Pages : 4

Time : Three Hours



GUG/S/24/10620

Max. Marks : 40

1. a) Write difference between Equity shares and Preference shares. 4
- b) Satvik Trading Co. Ltd. has issued share capital of Rs. 2,000 in equity shares of Rs. 100 each for public subscription. Application were received for all the shares and shares issued. Company called the money on these share as under on Application Rs. 25 per share, on Allotment Rs. 30 per share, On first call Rs. 30 and on Final call Rs. 15 per share. All the call money was received except one shareholder holds 200 shares did not paid final call money. Give journal entries. 4

OR

- c) Priyanka Co. Ltd. has issued 1,000 equity shares of Rs. 100 each to the public and called the amount thereon as under- 8

With Application	Rs. 25 per share (Inclusive premium of Rs. 20)
On Allotment	Rs. 45
On First Call	Rs. 25
On Final Call	Rs. 25

Shri. Vinod has purchased 100 shares. He failed to pay on final call and therefore his shares were forfeited. These forfeited shares were reissued to Akash at an agreed price of Rs. 105 per share.

From the information given above pass the journal entries in the books of the company.

2. a) Following particulars are provided in respect to a Limited Company. 4
- Share Capital : 900, 6% preference shares of Rs. 100 each and 9000 Equity shares of Rs. 10 each fully paid.
 - External liabilities Rs. 15,000
 - Reserve & Surpluses Rs. 7,000
 - Assume that amount of total assets worth Rs. 700 are fictitious.
- Calculate the intrinsic value of each equity share.
- b) Compute the value of Goodwill by using Super profit method from the information given below. 4
- Average capital employed in business Rs. 5,00,000.
 - Business profit during the last three years Rs. 70,000, Rs. 50,000 and Rs. 60,000 respectively.
 - Estimated rate of return based on business risk 8% p.a.
 - Reasonable remuneration of the owner of business Rs. 12,000 p.a.

However the same is not considered while calculating profit

Goodwill is to be valued at three years purchase of average super profit method.

OR

- c) The following Balance Sheet of Vaibhav Co. Ltd. As on 31st March 2023.

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Balance Sheet
As on 31st March 2023

Liabilities	Rs.	Assets	Rs.
Equity Share Capital (3000 Share of Rs. 100 each)	3,00,000	Goodwill	35,000
5% Debentures	2,50,000	Plant & Machinery	1,70,000
General Reserve	35,000	Land & Building	2,05,000
Profit & Loss A/c.	10,000	Furniture	30,000
Sundry Creditors	15,000	Investment	50,000
Other Liabilities	5,000	Stock	60,000
		Debtors	40,000
		Cash at Bank	25,000
	6,15,000		6,15,000

3. a) On 1st April 2009 a fire broke out in the premises of Akshata Handicrafts Ltd. M. G. Road, Bangalore and destroyed all the stocks except some partly damaged goods which were sold for Rs. 1,10,000 from the following details ascertain the claim to be lodged if the stock is fully insured.

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	Rs.
Sales from 1.1.2009 to 1.4.2009	30,00,000
Purchases from 1.1.2009 to 1.4.2009	20,00,000
Direct Wages	4,00,000
Manufacturing expenses	2,00,000
Stock on 1.1.2009	5,00,000
Stock on 1.4.2009	?
Gross profit ratio is 25%	

- b) On 1st August 2011 a fire occurred in the premises of a Ajay firm which carried on the business of general merchandise. From the various books which were saved from fire it was ascertained that
- Sales from 1st January to 31st August 2010 Rs. 12,80,000
 - Purchases from 1st January to 31st August 2010 Rs. 8,40,000
 - Stock on hand on 31st Dec. 2009 Rs. 2,36,000

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Gross profit for the past five years had average at 35% on sales

The value of salvage stock was agreed at Rs. 30,000.

Calculate the amount of claim. There is no average clause.

OR

- c) Fire occurred in premises of Jayant Traders on 10th March, 2022. In order to make a claim on their fire policies in respect of stock, they ask your advice and you are able to obtain following information:

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	2019	2020	2021	2022
Opening Stock as valued	76,000	1,14,000	1,52,000	76,000
Purchases less returns	3,60,000	4,30,000	4,60,000	1,50,000
Sales less returns	5,60,000	7,00,000	8,00,000	2,60,000
Wages & Manuf. Exp.	1,50,400	1,91,000	1,40,000	45,000
Closing Stock	1,14,000	1,52,000	76,000	?

The stock salvage was Rs. 15,400

It was practice of a firm to value the stock at 5% less cost.

Determine the amount of claim to be recovered from insurance company.

4. a) The shareholders of a company took a decision of Voluntary Liquidation on 30th June, 2009 on the date the share capital of the company was- 4
- 1,000 Preference Shares of Rs. 100 each fully paid.
 - 40,000 'A' Class Equity Shares of Rs. 10 each fully paid.
 - 30,000 'B' Class Equity Shares of Rs. 10 each Rs. 8 per share paid.
 - 20,000 'C' Class Equity Shares of Rs. 10 each Rs. 9 per share paid.
- Preference shareholders have preference in refund of capital in event of Liquidation and payment of dividend. The status of all classes of Equity Shares is however, equal. The total creditors of the company are Rs. 2,74,900 out of which the creditors of Rs. 10,900 are preferential and that of Rs. 54,000 are fully secured. The Liquidators received Rs. 3,74,000 from the sale of assets including those mortgage with the fully secured Creditors, Liquidation Expenses amounted to Rs. 12,000. The Liquidators is to be paid 5% commission on the realized value of assets and 3% on the amount paid to Unsecured creditors. When in the order to bring partly in the rights of Equity Shares of different classes the Liquidator made necessary calls, the shareholders of 2000 'B' class Equity Shares did not pay and consequently these shares were forfeited. Full amount was received on other shares. Prepare Liquidators Final Statement of Account.

- b) ABC Ltd. went into Voluntary liquidation on 30th June, 2022. The Balance Sheet as on that date was as follows. 4

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital:		Plant	25,000
3000 Equity shares of Rs. 10 each	30,000	Stock	18,000
1500, 8% preference shares of Rs. 10 each	15,000	Debtors	14,500
9% Debentures having floating charge on Assets of company	10,000	Bank	500
Sundry Creditors	18,000	P & L A/c. (Dr.)	15,000
	73,000		73,000

The Liquidators realized the assets as follows:

Stock and plant	Rs. 42,000
Debtors	Rs. 19,000

The Dividend on Preference shares was paid upto 30th June 2021. Preference Shareholders had a right of receiving Preference Dividend in addition to capital before any payment to Equity Shareholders but they will have no share in surplus.

Expenses of Liquidation amounted to Rs. 2,000. Debentures were repaid on 31st Dec. 2022 together with interest which was outstanding from 30/06/2021.

The liquidators is entitled to a remuneration of 2% of the amount realized and 2% of the amount paid to unsecured creditors. The process of Liquidation was complete by 31st December 2022.

Prepare Liquidators Final Statement of Account.

OR

- c) The Akash Co. Ltd. went into voluntary liquidation on 31st March 2022 when the Balance Sheet of the company was as follows:

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Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital: 3000, 5% Cumulative Pref. Share of Rs. 100 each FP)	3,00,000	Land & Building	2,90,000
		Plant & Machinery	1,44,500
		Motor Cars	28,750
25000 Equity shares of Rs. 10 each fully paid 2,50,000		Stock in Trade	93,000
		Debtors	37,000
Less calls in arrears 12,500	2,37,500	Preliminary Expenses	7,000
Share Premium	25,000	P & L A/c.	1,00,000
5% Debentures	50,000		
Interest on Debentures	1,250		
Bank Overdraft	29,000		
Creditors	57,500		
	7,00,250		7,00,250

- 1) The preference dividends are in arrears a from 1st April 2018.
 - 2) The Articles of Association of the company provide that on Liquidation of company the surplus of assets remaining after payment of liquidation. Expenses and External Liabilities, there shall be paid firstly all arrears of preference dividend, secondly, the amount paid on preference shares and thirdly, any balance remaining thereafter shall be paid to the equity shareholders.
 - 3) The liquidator realized the assets as follows:
Land & Building Rs. 3,50,000, Plant & Machinery Rs. 1,20,000,
Motor Car Rs. 29,500, Stock in Trade Rs. 75,000 and Debtors Rs. 30,000.
 - 4) The calls in arrears were fully collected by the liquidator.
 - 5) Creditors were paid at a discount of 5%.
 - 6) Liquidation Expenses amounted to Rs. 1875.
 - 7) The Debentures were paid together with interest accrued thereon.
 - 8) The Liquidator's remuneration was 2.5% on the amount collected by him.
- Prepare liquidators Final Statement of Account.

5. Write Short Notes:

- a) Types of Share Capital. 2
- b) Methods of Valuation of Shares. 2
- c) Salvaged Stock. 2
- d) Functions of Liquidator's. 2
