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**III Semester B.B.A. Degree Examination, March - 2021****CORPORATE ACCOUNTING****Business Administration****(CBCS Scheme Repeaters)****Paper : UN-421****Time : 3 Hours****Maximum Marks : 70****Instructions to Candidates:**

Answer to be written completely in English.

**SECTION - A**

Answer any 5 sub-questions. Each sub-question carries 2 marks.

**(5×2=10)**

1. a) What do you mean by Revenue Profits?
- b) Define Goodwill.
- c) What is issued capital?
- d) What is Trend analysis?
- e) How is cost of goods sold calculated?
- f) Mention any two methods of Valuing shares?
- g) What is minority Interest?

**SECTION - B**

Answer any 3 questions. Each question carries 6 marks.

**(3×6=18)**

2. What are the circumstances of valuation of Goodwill?
3. From the following information calculate the value of shares under yield method. Equity shares 80,000 shares of Rs. 10 each. Profits for the last 3 years 85,000, 95,000, 97,000, 20% Transfer to reserve Normal rate of return 10%.
4. The profits of Soumya Ltd for the past five years are as follows  
2015-16, Rs. 40,000 (includes abnormal profit of Rs. 5000)  
2016-2017 - Rs. 50,000 (Excluding Rs. 3000 insurance premium).  
2017-2018 - Rs. 45,000  
2018-2019 - Rs. 60,000 (includes a profit on sale of building of Rs. 20000)  
2019-2020 - Rs. 80000

You are required to value G/W at 2 years of average profits purchase method.

**[P.T.O.]**





5. State under which heading the following items are shown in the balance sheet of a company.
- Debentures
  - Live stock
  - Provision for tax
  - Authorised capital
  - Purchases
  - Legal fees

6. Calculate trend percentages from the following information of Akash Ltd.

Year	Sales	Profit before Tax
2015	1400	500
2016	1900	725
2017	3000	810
2018	3800	890
2019	5050	1750

### SECTION - C

Answer any 3 questions. Each question carries 14 marks.

(3×14=42)

7. The balance sheet of Ash. Ltd is as follows on 31/3/2018.

Liabilities	Amount	Assets	Amount
Share capital equity shares of		Fixed Assets	8,00,000
Rs. 10 each	8,00,000	Investments	3,00,000
General reserve	3,00,000	Current Assets	7,00,000
Profit	5,00,000		
Current liabilities	2,00,000		
	18,00,000		18,00,000

Net profits after tax 2016, Rs - 2,00,000, 2017 - Rs. 2,20,000, and 2018 - Rs. 2,80,000. The Goodwill may be valued for 4 years of purchase using average super profits. Normal rate of return on capital employed is 15%.

Ascertain the value of Goodwill.





8. The balance sheets of Ashu Ltd and Usha Ltd as on 31/3/2020 are given below

Equities & Liabilities	Ashu Ltd	Usha Ltd	Assets	Ashu Ltd	Usha Ltd
Equity share capital	2,00,000	3,00,000	Land & Buildings	1,80,000	2,40,000
8% preference share capital	1,00,000	1,50,000	Plants & Machinery	2,00,000	1,90,000
8% debentures	1,00,000	80,000	Furniture	1,00,000	1,10,000
Reservers & Surplus	82,000	1,00,000	Stock	80,000	1,30,000
Creditors	75,000	90,000	Debtors	30,000	50,000
Out standing expenses	43,000	30,000	Cash	10,000	30,000
	6,00,000	7,50,000		6,00,000	7,50,000

Prepare comparative statement and Interpret.

9. From the following balances of Ganesha Ltd as on 31/3/2020.

Particulars	Debit (Rs.)	Credit (Rs.)
Building	3,07,200	
Plant	3,30,000	
Stock	75,000	
Debtors	87,000	
Goodwill	25,000	
Bank	45,160	
Share capital		4,00,000
12% debentures		3,00,000
Surplus account		26,250
Bills payable		37,000
Creditors		40,000
Calls in Arrears	7,500	
Interim dividend paid	39,250	
Purchases	1,85,000	
Wages	97,980	
General Expenses	7,335	
Salaries	20,225	
Bad debts	2,100	
Debenture Interest paid	18,000	
Sales		4,15,000
General reserve		25,000
Bad debts provision on 1/4/2019		3,500
	12,46,750	12,46,750

Additional information :

- Stock on 31/3/2020 Rs. 95,000.
- Depreciate plant by 15%
- Interest on debentures is due for 6 months
- Creat 5% provisons for bad & doubtful debts.
- Make a provision of 20% for Income tax.





10. The following is the balance sheet of Bharat Ltd. as on 31/12/2019

Liabilities		Amt	Assets		Amt
Equity share capital		8,00,000	Goodwill		80,000
Reserves		2,20,000	Fixed Assets		10,00,000
Debentures		2,00,000	Current Assets		4,00,000
Creditors		2,60,000			
		14,80,000			14,80,000

On 31/12/2019 Fixed assets are valued at Rs. 7,00,000, Goodwill at Rs. 1,00,000, the net profit for the previous years are 1,00,000, 1,06,000 and 1,04,500. Other similar concerns are earning at 10% of Investments. Compute the value of shares under Net Assets and yield method.

11. From the information given below :

- The bills accepted by Son Ltd are all in favour of Moon Ltd.
- All the surplus of Sun Ltd has been earned since the shares were acquired by Moon Ltd. But there was already a reserve of 40,000 on that date

Balance Sheets of Sun and Moon Ltd as on 31/3/2019

Equity and liabilities		Moon Ltd	Sun Ltd
1. a. share capital shares of Rs. 10 each		5,00,000	1,00,000
b. Reserves & Surplus :			
i. Reserves		60,000	30,000
ii. Surplus A/c		2,00,000	60,000
2. Current liabilities			
Trade creditors		1,10,000	60,000
Bills payable		-	15,000
		8,70,000	2,65,000
Assets :			
1. Non-current Assets			
a. Fixed Assets		4,00,000	60,000
b. Investments 7500 shares in Sun Ltd at cost		75,000	-
2. Current Assets			
Stock		3,00,000	1,20,000
Debtors		75,000	85,000
Bills receivable		20,000	-
		8,70,000	2,65,000

Prepare consolidated Balance Sheet.