

Seat No.: \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA Integrated – SEMESTER – II - EXAMINATION – SUMMER 2022**

**Subject Code: 2527104****Date: 01/08/2022****Subject Name: Corporate Accounting****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1 (a)** Explain in detail features and limitation of receipt and payment account. 07
- (b)** Following is the receipt and payment Account of Bharti Club for the year ended 31<sup>st</sup> March 2019 07

Receipts	Amount	Payment	Amount
Balance b/d	10500	By Salaries	25000
To subscription	70500	By Travelling expenses	4000
To Donation	5000	By Stationary	3000
To Life membership fees	10000	By Rent	32000
To Income from Investments	2000	By Books	4000
		By Balance c/d	30000
	98000		98000

**Additional Information**

Particulars	31.03.18	31.03.19
Advance Subscription	2000	3500
Outstanding Subscription	3400	4300
Books	8000	12000
9% Investments	25000	25000

Prepare income and expenditure account and Balance sheet of the club for the year ended 31<sup>st</sup> march 2019.

- Q.2 (a)** Draw the format of corporate balance sheet (vertical) with all schedules 07
- (b)** M/s Mehta and sons earn an average profit of rupees 60,000 with a capital of rupees 4,00,000. The normal rate of return is 10%. Using capitalization of super profits method calculate the value the goodwill of the firm. 07

**OR**

- (b)** Define goodwill explain characteristics of goodwill 07
- Q.3 (a)** Explain the need for valuation of equity shares. 07

- (b) The following are the balances taken from the balance sheet of John Engineering Ltd. as on 31st March, 2012: 07

<b>Liabilities</b>	<b>Rs.</b>
150000 equity shares of Rs. 10 each fully paid-up	15,00,000
2,00,000 equity shares of Rs. 10 each Rs. 6 paid-up	12,00,000
60,000 preference shares of 12% fully of Rs. 10 paid-up	6,00,000
Long term secured loan	14,00,000
Trade Payables	6,50,000
	53,50,000
<b>Assets</b>	<b>Rs.</b>
Land and Building	23,00,000
Furniture and fittings	3,90,000
Profit and loss account	13,00,000
Inventories	8,30,000
Trade receivables	4,10,000
Bank Balance	1,20,000
	53,50,000

The current value of building is Rs. 30,00,000 and furniture and fittings RS. 2,50,000. Stock is valued at Rs. 9,11,000. Debtors are expected to realize only 90 % of their book value. Calculate the intrinsic value per share by net asset method.

**OR**

- Q.3 (a)** Explain meaning and classification of debentures. 07
- (b)** You are required to pass journal entries for the issue of following debentures: 07
- (a) 120 10% Rs. 1,000 Debentures are issued at 5% discount and are repayable at par.
- (b) Another 150 7% Rs. 1,000 Debentures are issued at 5% discount and repayable at 10% premium.
- (c) Further 80 9% Rs. 1,000 Debentures are issued at 5% premium.
- (d) In addition, another 400 8% Rs. 100 Debentures are issued as collateral security against a loan of Rs. 40,000.

- Q.4 (a)** Ali Mohammad Khan Ltd. issued 100,000 equity shares of Rs. 10 each to the public at par. The details of amount payable on the shares are as follows. 07

Date	Way	Per Share Rs.
1 <sup>st</sup> April 2017	Application	2
1 <sup>st</sup> June 2017	Allotment	3
1 <sup>st</sup> July 2017	Final Call	5

Application monies were received on 120,000 shares. Excess monies were refunded immediately. All other amount on allotment and final call received. Pass Journal entries.

- (b)** Write a note on redemption of Shares 07

**OR**

- Q.4 (a)** On 1st January, 2002 New Castle Limited allotted 10,000 9% Debentures of Rs 100 each at par, the total amount having been received along with applications. **07**
- (i) On 1st January, 2004 the company purchased in the open market 1,000 of its own debentures @ Rs 101 each and cancelled them immediately.
- (ii) On 1st January, 2007 the company redeemed at par debentures for Rs 3,00,000 by draw.
- (iii) On 1st January, 2008, the company purchased debentures of the face value of Rs 2,00,000 for Rs 1,97,800 in the open market, held them as investments for one year and then cancelled
- (iv) Finally as per resolution of the board of directors, the remaining debentures were redeemed at a premium of 2% on 1st January, 2012 when Securities Premium Accounting the company's ledger showed a balance of Rs. 30,000.
- Pass journal entries for the abovementioned transactions

- (b)** Define Cash Flow Statement. Explain uses of cash flow statement. **07**

- Q.5 (a)** Find out cash flow from investing activities from the details given below. **07**

Particulars	Amount
Purchase of machine	5,00,000
Purchase of Goodwill	2,00,000
Purchase of Investment	3,00,000
Sale of machine	70,000
Sale of Investment	60,000
Sale of Patents	80,000
Interest and dividend received	20,000
Rent received	40,000

- (b)** Make a list of cash inflow and out flow from operating activities. Investing activities and financing activities **07**

**OR**

- Q.5 (a)** What is fund flow statement? What are the uses of fund flow statement? **07**
- (b)** Which parties will be benefited from the study of fund flow statement? **07**

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