

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA Integrated - SEMESTER– II EXAMINATION – WINTER 2022****Subject Code: 2527104****Date: 07/01/2023****Subject Name: Corporate Accounting****Time: 02:30 pm to 05:30 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) What do you understand by Receipt and Payment Account? How is it different from Cash Book? **07**
- (b) Define Debenture and explain the various kinds of the debenture. **07**
- Q.2** (a) What do you mean by Goodwill? Explain the characteristics of Goodwill. **07**
- (b) Explain the differences between Receipts and Payments Account and Income and Expenditure Account **07**

OR

- (b) A Company issued 10000 equity shares of the face value of Rs. 10 each at a premium of 10% payable as to Rs. 3 on application, Rs. 4 on allotment (including premium of Rs. 1 per share), Rs. 2 on first call and Rs. 2 on final call. All the shares are subscribed and duly allotted and both the calls were made. All cash is duly received except that a holder of 200 shares has not paid the final call. A holder of 300 shares had paid the entire balance on his holding of 300 shares with allotment money. **07**
- Journalise the above transactions in the books of Company.
- Q.3** (a) The following figures relate to the trading activities of a Company for the year ended 31 March 2014. **07**

Sales	1000000	Rent	6000
Purchases	700000	Stationery	2000
Opening stock	110000	Depreciation	10000
Closing stock	140000	Other expenses	20000
Sales returns	40000	Provision for tax	70000
Salaries	48000	Dividend received	12000
Advertising	7000	Profit on sale of assets	60000
Travelling exp	5000	Loss on sale of investment	3000

You are required to prepare the Corporate Profit & Loss Account (Income Statement).

- (b) The net assets in a firm amounted to Rs. 200000. Out of this, Rs. 20000 is represented by investment in 5 % Government Securities, purchased at face value. The expected future profit is Rs. 30000. The normal rate of return is 10% on closing capital employed. **07**
- Calculate the value of goodwill by:-
1. Three year's purchases of expected profits;
 2. Five year's purchases of super profit.

OR

- Q.3** (a) From the following information and Receipts and Payments Account of a club, prepare Income and Expenditure Account and Balance Sheet for the year ending Dec. 2018 **07**

Receipts	Rs	Payment	Rs
To Balance b/d	4000	By Rent	2400
To Entrance fees	600	By Wages	2600
To Subscriptions	21400	By Lighting Charges	1000
To Donations	4000	By Books Purchases	3000
To Life Membership fees	3000	By Office Expenses	4000
To Interest on Deposit	500	By 10% Fixed Deposit (on July 1, 2018	20000
To Proceeds of Tournaments	4500	By Tournament Expenses	3600
		By Balance c/d	1400
	38000		38000

Other Information's:-

1. On Dec 31, 2017, the club possessed books worth Rs. 25000 and furniture worth Rs. 10000. Provide Depreciation on these assets @ 10% including the purchases during the year.
2. Subscription in arrears at the beginning of the year amounted to Rs. 500 and at the end of year Rs. 800 was outstanding.

(b) Explain and illustrate the concept of Buy-back of shares. **07**

Q.4 (a) Explain the meaning of Cash Flow Statement and Classification of Cash Flow. **07**

(b) Explain the meaning and importance of funds flow statement. How funds flow statement is prepared? **07**

OR

Q.4 (a) The following information's are related to a Company:- **07**

Profit After Tax	Rs. 10,00,000
12% Preference share of Rs. 100 each	Rs. 10,00,000
Equity shares of Rs. 100 each	Rs. 50,00,000
Normal rate of return	15%

80% of profits are distributed by the company. Ignore tax. Calculate the value per equity share by (a) Expected rate of returns method (b) Dividend rate method.

(b) What is meant by valuation of shares? When is it necessary to value the shares and why? **07**

Q.5 (a) Distinguish between Fund Flow Statement and Cash Flow Statement. **07**

(b) Balance sheet of M/s Ram and Sons as on 1 April 2015 and 31 March 2016 were as follows:- **07**

Balance Sheet

Liabilities	1.04.2015	31.3.2016	Assets	1.04.2015	31.3.2016
Creditors	40000	44000	Cash	10000	7000
Mrs. Ram's Loan	25000	-	Debtors	30000	50000
Bank Loan	40000	50000	Stock	35000	25000
Capital	125000	153000	Machinery	80000	55000
			Land	40000	50000
			Building	35000	60000
Total	230000	247000	Total	230000	247000

During the year a machine costing Rs. 10000(accumulated depreciation Rs. 3000) was sold for Rs. 5000. The balance of provision for Depreciation against machinery as on 1st April 2015 was Rs. 25000 and 31st March 2016 Rs. 40000. Drawings for the year 2015-16 amounted to Rs. 17000. You are required to prepare (i) Statement of changes in working capital and (ii) Fund flow statement from the above informations.

OR

- Q.5 (a)** Following are the summarized balance sheet of a Company as on 31st March 2015 and 31st March 2016 **07**

Balance Sheet

Liabilities	2015	2016	Assets	2015	2016
Share Capital	500000	500000	Building	475000	500000
General Reserve	150000	125000	Machinery	422500	375000
Profit & Loss a/c	76500	76250	Equipments	40500	45000
Term Loan	155000	175000	Stock	74000	100000
Sundry Creditors	231250	275000	Sundry Debtors	160000	200000
Provision for tax	76250	84250	Cash	7000	3000
			Bank	10000	-
			Goodwill	-	12500
	1189000	1235500		1189000	1235500

Other Information's:-

1. Interim dividend paid Rs. 25000
2. Depreciation on premises is provided at 5%
3. Machinery of Rs. 75000 was acquired during the year
4. Income tax paid during the year was Rs.75000

With the help of the above information calculate the Cash flow from operating activities

- (b)** Calculate the Cash flow from Investing activities and Cash flow from Financing activities of the above question. **07**
