

27. Prepare Balance sheet of HP ltd as at 31 March 2020.

Share capital – 20,00,000, preference share capital- 10,00,000, fixed assets – 46,60,000, accumulated depreciation – 16,60,000, investment – 4,00,000, current liabilities – 8,00,000, 12% debentures – 6,00,000, workmens compensation reserve – 1,00,000, surplus -3,00,000, stock - 6,00,000, debtors – 8,00,000, cash – 1,50,000, loans and advances -50,000, provision for taxation – 2,00,000

**(2 × 10 = 20 Marks)**

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(4)

**20U334**

(Pages: 4)

Name: .....

Reg. No: .....

**THIRD SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2021**

(CBCSS - UG)

(Regular/Supplementary/Improvement)

**CC19U BBA3 B04 - CORPORATE ACCOUNTING**

(BBA - Core Course)

(2019 Admission onwards)

Time: 2.5 Hours

Maximum: 80 Marks

Credit: 4

**Part A** (Short answer questions)

Answer *all* questions. Each question carries 2 marks.

1. Define the term liabilities as per IASB frame work.
2. Write a note on Ind As2
3. What is PPE?
4. What is borrowing cost?
5. What is deferred Tax asset?
6. When does a company create debenture redemption reserve?
7. Define debentures.
8. What do you mean by redemption of debentures by drawing lots?
9. What is meant by conversion of preference shares?
10. What are Cum interest and Ex interest?
11. What is SOCE?
12. What is cash and cash equivalents?
13. What are leverage ratios?
14. What is window dressing?
15. Explain two limitations of ratio analysis.

**(Ceiling: 25 Marks)**

**Part B** (Paragraph questions)

Answer *all* questions. Each question carries 5 marks.

16. Explain the provisions regarding Redemption of preference shares.
17. Depreciable amount of a depreciable asset on 31-3-2016 is rs. 100000 and as on 31-3-2017 is Rs. 90000 tax bases of the depreciable asset as on 31-3-2016 is Rs. 100000 and as on 31-3-2017 is Rs. 75000. compute deferred tax liability assuming a tax rate of 30%.
18. Explain the objectives of Contingent assets and Contingent liabilities as per Ind As 37.

(1)

**Turn Over**

19. Amritha Ltd. purchased for cancellation its own 2000, 12% debentures of Rs. 100 each redeemable at 10 % premium for Rs. 125 each. it has balance in capital reserve of Rs. 50,000. Show necessary journal entries.

20. A company carried forward balance of Rs. 40,000 for the P&L A/C from the year ended 31<sup>st</sup> March 2018. During the year 2018-19 it made a further profit of Rs 5,00,000 before providing taxation.it was decided that the following decisions carried out.

Provision for taxation Rs. 1,50,000

Dividend Equalization Reserve Rs. 25,000

Dividend on 8% preference shares of Rs. 2,00,000

Dividend at 15% on 30,000 equity shares of Rs. 10 each fully paid

General reserve Rs. 35,000; and

Developmental Rebate reserve Rs. 35,000

Prepare surplus / deficit in statement of profit & loss

21. From the following information extracted from the balance sheet of ABC Ltd.

Equity and liabilities	31 March 2020	31 March 2019
Surplus	8,00,000	5,00,000
Dividend payable	30,000	-----

Dividend proposed for the year ended 31 march 2019 and 2020 were Rs. 3,00,000 and Rs. 3,50,000 respectively. Prepare note for net profit before tax.

22. Compute Quick Ratio.

	Rs.
Debtors	2,00,000
B/R	50,000
Marketable Securities	1,00,000
Stock	1,80,000
Cash	20,000
Prepaid expenses	10,000
Bank O/D	1,75,000
Sundry Creators	2,30,000
Bills Payable	75,000

23. Current ratio 4; liquid ratio 2.5; inventory Rs. 6,00,000. calculate current liabilities, current assets and liquid assets.

(Ceiling: 35 Marks)

(2)

### Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. The capital structure of a company consists of 50,000 equity shares of Rs. 10 each fully paid up and 3,000 10% preference shares of Rs. 100 each fully paid up. On 31-3-2020 Profit and Loss a/c showed an undistributed profit of Rs. 50,000 and General Reserve a/c stood at Rs. 1,20,000. On 01-04-2020 the directors decided to issue 1,500 11% preference shares of Rs. 100 each for cash and to redeem the existing preference shares at Rs. 105 utilising as much profits as would be required for the purpose.

Show entries and also summarized Balance Sheet on 31-03-2020 cash balance amounted to Rs. 1,85,000 and sundry creditors at Rs. 1,87,000.

25. The following is the trail balance of Ram cement co Ltd. On 31-03-2019.

Debit balances	Rs.	Credit balance	Rs.
Stock (1-4-2018)	75,000	Sales	3, 50,000
Purchases	2, 45,000	Profit & Loss account	15,000
		(31-03-18)	
Wages	50,000		
Furniture and fitting	17,000	Equity share capital	1,17,500
Salaries	7,500	Sundry creditors	15,000
Rent	4,950	Reserve fund	15,500
Sundry expenses	7,050	Discount received	5,000
Dividend paid	9,000		
Debtors	37,500		
Machinery	29,000		
Cash in hand	6,000		
Patents and trade mark	30,000		
Total	5,18,000		5,18,000

Adjustment:

Stock on 31-03-2019 was worth Rs. 82,000

Depreciate fixed assets at 10%

Make provision for income tax at the rate of 50%.

Prepare statement of profit & loss for the year ended 31-3-2019 and the balance sheet as on that date in the prescribed form.

26. What are Accounting Ratios? List out the important ratios and their significance.

(3)

Turn Over