

**B.B.A. (Part-II) Semester-IV (CBCS) Examination****BBA-403 : CORPORATE ACCOUNTING**

Time : Three Hours]

[Maximum Marks : 80

**SECTION-A**

1. Statement 1 : Goodwill is an intangible asset.  
Statement 2 : Goodwill can be valued at average profit or superprofit.  
(a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
2. Statement 1 : If average profit is Rs. 20,000 and normal profit is Rs. 10,000 then super profit is Rs. 30,000  
Statement 2 : Super profit is excess of average profit over normal profit.  
(a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
3. Statement 1 : Net assets method is called as intrinsic value method.  
Statement 2 : Valuation of shares does not include equity shares.  
(a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
4. Statement 1 : If net asset is Rs. 1,80,000 and equity shares are 60,000 then value per share is Rs.3.  
Statement 2 : Normal profit depend on average capital employed and normal rate of return.  
(a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
5. Statement 1 : Liquidation of company means formation of company.  
Statement 2 : Liquidators final statement of account does not include liquidators remuneration.  
(a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
6. Statement 1 : Liquidators Remuneration can be calculated on the basis of assets realised.  
Statement 2 : Liquidators remuneration cannot be calculated for payment to unsecured creditors.  
(a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong

7. Statement 1 : Banking company prepares 16 schedules.  
Statement 2 : Locker Rent is an other income for Banks.
- (a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
8. Statement 1 : Bank charges are included in schedule 6.  
Statement 2 : Interest on fixed deposit is an income for banking company.
- (a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
9. Statement 1 : Asset increases the working capital.  
Statement 2 : Decrease in current asset increases the working capital.
- (a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong
10. Statement 1 : Fund flow statement includes fixed asset and current assets.  
Statement 2 : Working capital shows the effect of only current assets and current liabilities.
- (a) Statement 1 is correct (b) Statement 2 is correct  
(c) Both the statements are correct (d) Both the statements are wrong  $10 \times 2 = 20$

### SECTION-B

1. (a) Calculate the value of Goodwill at 2 year purchase of Average Profits of last 5 years.

Years	Profit (Rs.)
2018	65,800
2019	72,100
2020	(10,000) Loss
2021	25,000
2022	67,200

Charge managerial remuneration Rs. 4,500 pa.

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**OR**

- (b) Calculate the value of Goodwill at 3 year purchase of super profit. Total profit of 4 year 7,20,000, Average capital employed 6,00,000, Normal rate of return 10% 4
2. (a) Calculate the value of equity shares as per Yield Valuation Method.  
1000 14% preference shares of Rs. 100 each. Average profit before tax 2,05,000. Tax Rate 50%, 5,000 equity shares of Rs. 80 each. Transfer to general reserve = 20% of Profit, Normal Rate = 20% 4

**OR**

- (b) Explain the benefits of valuation of shares. 4

3. (a) Amount due to unsecured creditors Rs. 1,80,000.

Available Balance to liquidators Rs. 1,40,000 Asset realised Rs. 4,80,000.

Calculate the total remuneration to liquidator :

- (i) 2% of Asset realised as per given information.  
(ii) 3% of payment of unsecured creditors.

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**OR**

- (b) From the given information prepare the liquidator's final statement of account.

Particular	Amt. (Rs.)
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Secured creditors.

(Security realised Rs. 50,000)	35,000
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Liquidation Expenses	2,500
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Liquidator's Remuneration	1,800
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Preferential creditors	8,000
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Unsecured creditors	1,80,000
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Debentures	4,10,000
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Asset realised	5,10,000
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4. (a) Prepare Profit and Loss Account of Nico Bank for the year ended 31-March-2023 with schedule.

Particulars	Amt. (Rs.)
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Interest Earned	2,18,600
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Interest Expended	1,21,000
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Operating Expenses	10,000
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Operating Income	22,800
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Profit & Loss Account (31-03-2022)	1,480
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**OR**

- (b) Calculate operating expenses for Maha Bank.

Particulars	Amt. (Rs.)
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Rent and Taxes	2,10,000
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Director fees	1,05,000
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Interest on deposit	21,000
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Printing and stationery	2,000
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Locker Rent	5,200
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Auditor fees	1,600
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5. (a) From the given information prepare a schedule of changes in working capital.

Liabilities	2022	2023	Assets	2022	2023
Share capital	2,00,000	2,50,000	Cash	30,000	47,000
Creditors	30,000	20,000	Debtors	1,20,000	1,15,000
Bills Payable	40,000	25,000	Land	—	30,000
Retained earnings	10,000		Machinery	50,000	36,000
			Stock	80,000	90,000
	2,80,000	3,18,000		2,80,000	3,18,000

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**OR**

- (b) Explain the concept of fund flow statement and its uses.

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### SECTION-C

1. (a) Following is the information of Shree krishna Ltd for six years.

Years	Profit/Loss (Rs.)
2018-19	8,50,000
19-20	1,90,000
20-21	1,10,000
21-22	(1,18,000) Loss
22-23	2,98,000
23-24	7,15,500

Value of the Goodwill with due consideration for the following points :

- Goodwill to be valued at 3 year purchase of average profit.
- Profit of year 19-20 include profit of Rs. 25,000 earned in speculative business.
- While preparing trading account of 20-21 opening stock overvalued by 22,000.
- Profit of 22-23 arrived after writing off abnormal loss of 38,000.
- Profit of 23-24 excluded the insurance premium of Rs. 15,500.

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**OR**

- (b) From the following information compute the value of Goodwill as per super profit method from the given information.

- Average capital employed Rs. 20,00,000
- Normal Rate of Profit is 12%

Years	Profit (Rs.)
2018-19	3,00,000
19-20	2,73,000
20-21	3,45,000

Profit for 18-19 has arrived after writing off abnormal loss of Rs. 22,000. Profit of 2019-20 included a non recurring income of Rs. 40,000.

Calculate Goodwill at 2 year purchase of super profit.

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2. (a) Balance sheet of ABC company

Liabilities	Amt.	Asset	Amt.
Equity share cap (Rs. 10 each)	4,00,000	Land	20,000
General reserve	1,30,000	Building	1,50,000
Profit & Loss	80,000	Machinery	1,80,000
Sundry creditors	15,000	Debtors	2,00,000
Bills payable	25,000	Stock	90,000
		Preliminary expenditure	10,000
	6,50,000		6,50,000

Debtors are estimated at 10% below book value.

Stock realised Rs. 65,000

Land was valued to Rs. 25,000

Depreciate Machinery by 10%

Find the value of equity shares on the basis of above information by Net Asset Method. 8

**OR**

(b) Explain the meaning of shares and different methods of valuation of shares. 8

3. (a) Rajhans Company went into liquidation on 1st April 2023. Prepare liquidator's final statement of Account.

Liquidator's Remuneration.

(i) 2% on Asset realized

(ii) 2% on amount paid to shareholders.

Asset realized 5,80,000

Liquidation expenses 50,000

Equity share holder 2,00,000

Preference share holder 1,00,000

Debenture holder 1,80,000

Unsecured creditors 1,30,000

**OR**

(b) Draft the proforma of liquidator's final statement of account. 8

4. (a) From the following balances of Maha Gramin Bank, 31 March 2023, prepare Balance sheet as on that date.

Particular	Amt. (Rs.)
Capital	6,00,000
Reserve and Surplus	2,14,000
Balance with Bank	13,00,000
Cash and Balance with RBI	12,00,000
Other Asset	2,64,000
Investment	4,80,000
Deposits	39,50,000
Borrowing	6,42,000
Other liabilities	7,00,000
Fixed assets	11,08,000
Advances	17,54,000

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**OR**

- (b) Prepare the profit and loss A/c of SunMoon bank for the year ending on 31-03-23 from the given information.

Particular	Amt. (Rs.)
Interest on Loan	2,10,000
Interest on fixed deposit	1,80,000
Interest on saving A/c	1,30,000
Discount on bill discounted	4,85,000
Director fees	16,000
Salaries	2,000
Locker Rent	2,000
Profit on sale of Investment	1,500
Exchange	2,000
Additional Information	Rs.
Provide Bad debt	24,000
Rebate on bill discounted	12,000
Transfer 25% to statutory reserve.	

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5. (a) Following are the comparative balance sheet of New Raj Company for the year 2022 & 2023

Balance sheet

Liabilities	2022	2023	Assets	2022	2023
Share capital	70,000	74,000	Cash	9,000	7,800
Debenture	12,000	6,000	Debtors	14,900	17,700
Creditor	10,360	11,840	Stock	49,200	42,700
Profit & Loss A/c	10,740	11,360	Goodwill	10,000	5,000
			Land	20,000	30,000
	1,03,100	1,03,200		1,03,100	1,03,200

Additional Information :

- (i) Dividend were paid Rs. 4,000
- (ii) Land was purchased for Rs. 10,000

Prepare the fund flow statement, statement of changes in working capital.

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**OR**

- (b) Draft the proforma of statement of changes in working capital.

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