647510 **BBAcaMN203x-4C** **Seat No :________**

B.B.A. Semester - 4 (NEP-2020) Examination
March/April-2025
Advanced Corporate Accounting (Minor-3)

Time: 2:00 Hours **Marks: 50**

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate marks.

Que-1 The manager of ABC Company Ltd. is entitled to get a monthly salary of Rs. 5,000 and a commission of 2% on Net Profit. Salary and commission are to be calculated on Net Profit After providing his salary and commission. P & L A/c for the year ended 31-03-2024 is as follows: (10)

Profit and Loss A/c

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Salary & bonus	3,85,000	Gross profit	18,00,000
General expenses	1,48,000	Govt. subsidy	1,20,000
Depreciation	1,64,000	Sale of fixed assets (Cost price Rs. 2,50,000 & written down value Rs. 1,80,000)	2,00,000
Research expenses (Purchased investment)	28,000		
Manager's salary	60,000		
Managers's commission paid in advance	12,000		
Bad debt reserve	35,000		
Provision for tax	4,80,000		
Dividend declared	2,00,000		
Balance b/d	6,08,000		
	21,20,000		21,20,000

Allowable depreciation as per act is Rs. 1,62,000. Calculate the maximum remuneration which can be paid according to section 387 of company act. Calculate the difference between manager's salary and amount of commission paid in advance to manager.

OR

Que-1 What is managerial remuneration? State the provisions of companies act related to managerial remuneration.

Que-2 Raj Ltd. incorporated on 1st January, 2025 issued a prospectus inviting applications for 5,00,000 equity shares of Rs. 10 each at a premium of 10%. The whole issue was fully underwritten by Nimu,Jigu,Bhola and Guddu as follows: (10)

Nimu	2,00,000 shares	Jigu	1,50,000 shares
Bhola	1,00,000 shares	Guddu	50,000 shares

Applications were received for 4,50,000 shares of which marked applications were as follows:

Nimu	2,20,000 shares	Jigu	90,000 shares
Bhola	1,10,000 shares	Guddu	10,000 shares

It is agreed that underwriters to be paid commission at 5% on the issue price. You are required to find out the liabilities of individual underwriters by giving credits to unmarked applications in the ratio of gross liability. Also pass the necessary journal entries including for cash transactions.

OR

Que-2 Sam limited invited applications from public for 1,00,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share. The entire issue of underwritten by the underwriters A, B, C and D to the extent of 30%,30%, 20% and 20% respectively with the provision of firm underwriting of 3,000, 2,000, 1,000 and 1,000 shares respectively.

The underwriters were entitled to get 5% commission.

The company received applications for 70,000 shares from public out of which applications for 19,000, 10,000, 21,000 and 8,000 shares were marked in favour of A, B, C and D respectively.

Calculate the liability of each one of the underwriters. Also pass the journal entries.

Que-3 From the following information prepare a Comparative Balance Sheet. (10)

Particulars	31st March 2023 Rs.	31st March 2024 Rs.
Equity share capital	4,00,000	6,00,000
Debentures	2,00,000	3,25,000
Sundry creditors	2,55,000	1,17,000
Bank overdraft	7,000	10,000
Total Liabilities	8,62,000	10,52,000
Plant and machinery	1,00,000	2,00,000
Land and building	3,60,000	5,40,000
Investment	2,70,000	1,70,000
Sundry debtors	1,00,000	88,000
Cash in hand	32,000	54,000
Total Assets	8,62,000	10,52,000

Show all calculations as a part of your answer and also comment.

OR

Que-3 A company supplies the following information:

Liabilities	Rs.	Assets	Rs.
Share capital	2,00,000	Goodwill	1,20,000
Reserves and surplus	58,000	Plant and machinery	1,50,000
Debentures	1,00,000	Stock	80,000
Creditors	40,000	Debtors	45,000
Bills payable	20,000	Cash	17,000
Bank Overdraft	2,000	Misc. current assets	8,000
	4,20,000		4,20,000

Sales (credit) for the year = Rs. 4,00,000

Gross profit = Rs. 1,60,000

Calculate:

I. Current ratio
II. Quick ratio
III. Inventory turnover
IV. Average collection period
V. Proprietor’s funds to liabilities

Que-4 What is Goodwill? Explain the Factors Affecting Goodwill of Business. (10)

OR

Que-4 The following particulars have been taken from the balance sheet of ABC Ltd. as on 31-03-2024.

50,000 A equity shares of Rs. 10 each fully paid……………………………5,00,000
40,000 B equity shares of Rs. 10 each on which Rs. 7 per share paid……….2,80,000
25,000 C equity shares of Rs. 10 each on which Rs. 5 per share paid……….1,25,000
Reserves and surplus………………………………………………………6,00,000
Current liabilities……………………………………………………….….2,00,000
Preliminary expenses………………………………………………………1,00,000

It has been found that the market value of fixed assets has increased by Rs. 4,50,000.

You are required to compute the intrinsic value of each type of equity shares.

Que-5 Write short notes (Attempt any two) (10)

1. Importance of EVA
2. EVA Statement
3. EVA and Discounted Cash Flow
4. EVA and EPS

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