BBA4AdvE408x **Seat No :________**

B.B.A. Semester - 4 (*CBCS*) Examination
March/April-2026 [NEW COURSE]
Advanced Corporate Accounting (Elective)

Time: 2:30 Hours **Marks: 70**

Instructions:

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

Que.1 Profit And Loss Account of Abhay Ltd. For The Year Ended 31-03-2024 Is As Under. Calculate managerial remuneration. (14)

Profit & Loss A/C

Particulars	Amount	Particulars	Amount
Salary To Staff	3,90,000	Gross Profit	14,40,000
General Expenses	19,500	Profit On Sale Of Building	1,50,000
Bad Debts	3,000	Government Subsidy	30000
Depreciation	1,80,000		
Bad Debt Reserve	6,000		
Selling Exp.	39,000		
Repairs	45,000		
Provision For Tax	1,50,000		
Proposed Dividend	30,000		
Balance C/D	7,57,500		
	16,20,000		16,20,000

Other Information:

(1) Staff Salary Includes Rs. 30,000 for Ex-Gratia Paid.
(2) Repair Includes Capital Expenses Of Rs. 30,000
(3) Profit On Sale Of Building Includes Revenue Profit Of Rs. 75,000 And Capital Profit Of Rs. 75,000.

OR

Que.1 Profit and Loss Account of Shyam Ltd. For the year ended 31-03-2024 is as under.

Profit & Loss A/C

Debit	Amount	Credit	Amount
Establishment Expenses	2,00,000	Gross profit	8,28,750
General Expenses	1,25,000	Profit on sale of Plant	12,500
Director's fees	20,000	Government subsidy	15,000
Depreciation	18,750		
Managing Director's Salary	30,000		
Interest on Bank Loan	25,000		
Income Tax	37,500		
Net Profit	4,00,000		
	8,56,250		8,56,250

Other information:

(1) The depreciation charged on Plant sold was Rs. 7500
(2) The managing director is paid salary Rs. 2500
(3) Depreciation chargeable as per company act is Rs. 15,000

You are required to calculate overall managerial remuneration as per company act.

Que.2 Moon Ltd. Issued 1, 20,000 Shares Which Were Underwritten As Follows: (14)

X= 60,000 Y=40,000 Z=20,000 Shares

The Underwriters Made Applications For Firm Underwriting As Follows:

X= 10,000 Y = 6,000 Z = 6,000 Shares

Total Subscription Of 80,000 Shares Excluding Firm Underwriting But Including Market Applications For 60,000 Shares Marked Application Received Were As Under:

X= 24,000 Y= 20,000 Z= 16,000 Shares

Determine the Liabilities of Individual Underwriters

(A) Credit for Firm Underwriting Is Not Given To Underwriters
(B) Credit For Firm Underwriting Is Given To Underwriters.

OR

Que.2 Tata Limited Issued 2, 50,000 Equity Shares of RS. 10 Each. Whole Issue Is Underwritten As Under

M- 40% N- 30% O- 20% P-10%

Total Applications Received By The Company Including Firm Underwriting Was Of 2, 25,000 Shares.

Marked Applications excluding firm underwriting were as under:

M – 75,000 Shares N – 5,000 Shares O–20,000 Shares P – 25,000 Shares

Applications for firm underwriting are as under:

M – 10,000 Shares N – 2500 Shares O–5,000 Shares P – 2500 Shares

Rate Of Underwriting Commission Is 5% On Issue Of Shares. You Have To Find Out

(a) Net Liability of Underwriters, When Credit of Firm Application Is Given.
(b) Calculation of Commission Payable to Each of Them.
(c) Settlement Journal Entries

Que.3 The Information Given Below Is Taken From Financial Records Of Two Companies: (14)

Particulars	A Co. Ltd.	B Co. Ltd.
Total Sales (Out Of Which 20% Are Cash Sales)	80,000	80,000
Cost Of Goods Sold	56,000	52,000
Net Profit (After 50% Income Tax)	4000	6400
Equity Share Capital	25,000	20,000
Retained Earnings	6200	16550
15% Debenture	20,000	16,625
Creditors	8750	12,500
B.O.P.	2250	5000
Fixed Assets	40,000	38,750
Stock	8000	20,000
Debtors	10,000	9000
Cash	4000	2500
Preliminary Expense	200	300

From Above Information Calculate the Following Ratio for Both the Company and Interpret It

(1) Current Ratio
(2) Operating Ratio
(3) Debtors Ratio (360days)
(4) Rate Of Return On Total Capital Employed
(5) Rate of Return on Shareholder’s Fund

OR

Que.3(A) Following data are taken from the Final Accounts of Star ltd. as on 31/03/2024. Calculate following ratio: (07)

Sales (40% on credit)	30,00,000
Cost on sale	16,00,000
Other Exp	6,00,000
Debtors (1/04/2023 = 2,50,000)	3,00,000
Stock (1/04/2023 = 4,00,000)	6,00,000
Creditors	5,20,000
Cash	2,00,000
Share capital	14,00,000

Gross Profit Ratio Net Profit Ratio
Current Ratio Debtors Ratio
Stock Turnover Ratio

Que.3(B) from the following information prepare comparative profit and loss account of Shiv ltd. (07)

Profit and loss Account

Particulars	31-3-2023	31-3-2024	Particulars	31-3-2023	31-3-2024
Cost of sale	9,00,000	9,50,000	Sales	15,25,000	17,00,000
Administrative Expense	93,250	95,980	Dividend and interest income	7500	6200
Selling exp.	1,90,000	2,09,000	Profit on sale of land	6000	8000
Sundry exp.	8000	7000			
Loss on sale of machinery	2500	800			
Income tax	85,000	1,68,000			
Net profit	2,59,750	2,83,420			
	15,38,500	17,14,200		15,38,500	17,14,200

Que.4 Following Is The Balance Sheet Of Dhara Ltd. As On 31/03/2023 (14)

Liabilities	Amount	Assets	Amount
Equity Share Capital Of Rs. 100 Each	2,00,000	Fixed Assets	2,40,000
General Reserve	25,000	Current Assets	30,000
6% Preference Share Capital	50,000	Fictitious Assets	30,000
Provident Fund	2000		
Other Liabilities	23,000		
	3,00,000		3,00,000

Other Information:

(1) The Market Value Of Fixed Assets Was 20% More Than Its Book Value While The Current Assets Were Over Valued By Rs.3, 000.
(2) Total Profit For Last Four Years (Before 50% Income Tax Provision) 3,00,000
(3) The Expected Rate Of Return On Capital Employed In This Type Of Businesses Considered To Be 10%

You Are Asked to Value the Goodwill by Four Year's Purchase of Super Profit.

OR

Que.4 Balance Sheet Of Shah Ltd. Revealed The Following Information.

Plant & Machinery	30,00,000
Land & Building	21,00,000
Equity Share Of Rs. 10	36,00,000
10% Debenture	12,00,000
Reserve And Surplus	18,00,000
Profit After Tax	9,00,000
Current Liabilities	9,00,000
Furniture	6,00,000
Preliminary expense	30,000
Current assets	15,00,000

- It has Been Found That the Market Value of Plant and Machinery Have Been Increased to Rs. 45, 00,000 And That Of land and building To Rs. 27, 00,000.
- Other Companies Engaged In Same Business Pays 15% Dividend On Equity Shares.

You Are Required To Compute Fair Value Of Equity Shares.

Que.5 Write Short Note on (Any Two) (14)

(1) Discuss EVA & EPS
(2) Explain steps for implementing EVA.
(3) Meaning and Importance of EVA.

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