

St. Mira's College for Girls, Pune
(Autonomous-Affiliated to Savitribai Phule Pune University)

B.Com.

Subject: ACCOUNTANCY (C31602)

Semester: III

Year: 2019-20

Skill Building and Employability : Preparation of Final Accounts and Valuation of Shares

Valuation of Shares

Sub.: Corporate Accounting
Class: SYBCom Div.: B

St. Mira's College for Girls
SET: D

Date: 11/9/19 Marks: 10
Flexi 2
Roll no.: 3849

Q. From the following Balance Sheet of Rebha Ltd. as on 31st March 2019, you are required to ascertain the value of each Equity Share of the company using Net Asset Method and Yield method.

Liabilities		₹
10,000 Equity Shares of Rs. 10 each		1,00,000
1,000 6% Preference Shares of Rs. 100 each		1,00,000
Reserves & Surplus		60,000
Creditors		40,000
Provision for Taxation		20,000
Workmen's Savings Account		10,000
Total		3,30,000
Assets		₹
Land & Building		70,000
Plant & Machinery		85,000
Investments (at cost)		40,000
Stock		50,000
Debtors		50,000
Discount on Issue of shares		35,000
Total		3,30,000

10/10

For the purpose of valuing the shares of the company, the assets were revalued as:
Land and Building at ₹ 80,000 ; Plant and Machinery ₹ 75,000; Investments at book values; Stock ₹ 60,000 and Debtors at book value, less 10% Depreciation. (Bad debts) Normal Rate of Return 10%.

Calculation of Net Asset Method

Particular	Amount ₹
Total Reliable Asset	
Land & building	80,000

Depn.
(Depreciation) *Mozward.*
Subject Teacher.



[Signature]
Principal Incharge
St. Mira's College for Girls