

Q.P. Code : 32483

[Time: 2:30 Hours]

[Marks: 75]

Please check whether you have got the right question paper.

- N.B: 1. Solve all questions. Each question has internal options.
2. Workings should form part of your answer.

Q.1 A) Fill in the blanks (Any 8)**08**

- After re-issue of forfeited shares the balance amount on the Forfeited Shares account is transferred to _____.
- If the shareholder may not pay the money due from him, the outstanding amount is called as _____.
- Premium received on issue of debentures is a capital gain and it is credited to _____.
- Debentures which are secured by a charge on the assets of the company are termed as _____.
- Buy-back of Equity Shares shall not exceed _____% of Paid-up Equity share capital in any Financial Year.
- In Company Final Accounts, Bills Receivable is shown under _____.
- _____ is excess of average profit over normal profit.
- F.M.P. for yield valuation is _____.
- The own Debenture can be held as _____.
- Interest is always calculated on _____ value securities.

Q.1 B) State whether the following statements are True or False: (Any 7)**07**

- Redeemable Debentures are redeemed at any time
- Debenture interest is payable only when a company makes profit.
- Before buy-back, debts: Equity ratio should exceeds 2:1.
- For buy-back of Equity shares, Free Reserves should be only as per latest audited Balance sheet.
- One of the few assets that is usually not depreciated is Goodwill.
- Amount paid on Forfeited Shares is added to Paid-up Capital in the Balance Sheet.
- The purchase of own debentures is one method of redemption of debentures
- Balance Sheet shows the result of activities conducted during the year.
- Interest on debenture is paid to the original holder.
- A set of instructions to computer is programme.

Q.2 A) Gujarat Production Ltd. Issued 20,000 shares of Rs.100/- each at a premium of Rs.10/- per share. The share amount was payable as under- 15

On Application Rs.20/-
On Allotment Rs.40/- (including premium of Rs.10/-)
On First Call Rs.30/-
On Final Call Rs.20/-

Applications were received for 30,000 shares. The shares were allotted as under.

To the applicants of 15,000 shares- full.

To the applicants of 10,000 shares -5,000 shares &

To the applicants of 5,000 shares- nil.

The application money on the totally rejected applicants was refunded. The excess of application money

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received from applicants to whom partial allotment was made, was to be retained by the company for utilization against money due on allotment and the calls. The Director made all the calls except the final call. All the money was received except the first call on 1,000 shares. Give Journal entries & the Balance Sheet of the company.

OR

Q.2 B) Bengal Tigers Ltd., Issued 1000 debentures of Rs.100/- each.

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You are asked to give journal entries on issue if.

1. The debentures are issued at par and redeemable at par.
2. Debentures are issued at discount of 5% but redeemable at par.
3. Debentures are issued at a premium of 5% but redeemable at a par.
4. Debentures are issued at a discount of 5% but redeemable at a premium of 5%.
5. Debentures issued at par but redeemable at 10% premium.

Q.3 A) The following are details of 11.5% debentures of Delta Ltd.

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| Date | | Face Value (Rs.) | Cost (Rs.) |
|-----------|-----------|------------------|------------|
| 1.04.2014 | Purchased | 2,00,000 | 1,80,000 |
| 1.06.2014 | Purchased | 80,000 | 82,000 |
| 1.12.2014 | Purchased | 1,20,000 | 1,16,000 |
| 1.02.2015 | Sold | 1,80,000 | 1,16,000 |

Calculate cost of investment sold and carrying amount of investment.

B) Following is the Balance Sheet of Ramkrishna Ltd. As on 31st March, 2015.

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| Liabilities | | Assets | |
|------------------------------|-----------|---------------|-----------|
| Equity shares of Rs.100 each | 10,00,000 | Sundry Assets | 20,10,000 |
| Securities Premium | 3,00,000 | | |
| Capital Redemption Reserve | 1,80,000 | | |
| Capital Reserve | 2,00,000 | | |
| General Reserve | 1,50,000 | | |
| Profit & Loss Account | 1,80,000 | | |
| | 20,10,000 | | 20,10,000 |

Directors recommended issue of 3 bonus shares for every 5 shares held.

Show the relevant journal entries in the books of the company.

OR

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Q.3 C) The following balance appeared in the books of Bright Ltd. As on 31.03.2015.

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| | Debit (Rs.) | Credit (Rs.) |
|--|-------------|--------------|
| Equity shares of Rs.10 each, fully paid up | | 6,00,000 |
| General reserve | | 2,30,000 |
| Unclaimed dividend | | 526 |
| Trade creditors | | 42,858 |
| Building (at cost) | 2,50,000 | |
| Purchase | 5,00,903 | |
| Sales | | 10,83,947 |
| Manufacturing expenses | 3,50,00 | |
| Establishment charges | 26,814 | |
| General charges | 31,078 | |
| Machinery (at cost) | 2,30,000 | |
| Furniture | 35,000 | |
| Opening stock | 1,72,058 | |
| Book debts | 1,02,380 | |
| Investments | 2,88,950 | |
| Provision for depreciation on fixed assets | | 91,000 |
| Advance payment of income tax | 50,000 | |
| Cash at Bank | 72,240 | |
| Directors Fees | 1,800 | |
| Interest on investment | | 8,544 |
| Profit and Loss Account (1.4.2014) | | 16,848 |
| Staff Provident Fund | | 37,500 |
| | 21,11,223 | 21,11,223 |

From the above mentioned balances and the following information prepare the company's balance sheet as on 31st March, 2015 and Profit and Loss Account for the year ended on that date:

- The stock on 31st March, 2015 was valued at Rs.1,48,680.
- Provide Rs.29,000 for depreciation of fixed assets and Rs.8,000 for managing director's remuneration.
- Interest accrued on investments amounted to Rs.2,750.
- Make a provision of Rs.50,000 for income-tax.
- The directors propose a dividend @8%.
- Transfer Rs.25,000 to general reserve.

Q.4 A) The following is the balance sheet of Startrek Ltd. As on 31.12.2015

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| Liabilities | Rs. | Assets | Rs. |
|---------------------------|--------|----------------------|--------|
| Share Capital: | | Land and Building | 42000 |
| 7500 shares of Rs.10 each | 75000 | Plant and Machinery | 48000 |
| General reserve | 15000 | Trade Marks | 7500 |
| Taxation Reserve | 22500 | Stock | 18000 |
| Profit and loss A/C | 12000 | Debtors | 33000 |
| Sundry Creditors | 48000 | Cash at Bank | 19500 |
| | | Preliminary expenses | 4500 |
| | 172500 | | 172500 |

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The plant and machinery is worth Rs. 45000 and land and building have been valued at Rs. 90000 by an independent valuer. Rs. 3000 of the debtors are bad. The profits of the company have been as follows:

| | | | | | |
|------|------------|------|-----------|------|-----------|
| 2013 | Rs. 30,000 | 2014 | Rs. 33750 | 2015 | Rs. 39750 |
|------|------------|------|-----------|------|-----------|

It is company's practice to transfer 25% of the profits to reserve ignoring taxation. Find out the value of the shares on the yield basis and also on the Net Asset basis. Normal rate of return is 10%. Goodwill may be taken to worth Rs. 60,000.

OR

Q.4 B) The undernoted balances were extracted from Balance Sheet of Zee Ltd.

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| Particulars | Rs. |
|------------------------------------|----------|
| 20,000 Equity Shares of Rs.10 each | 2,00,000 |
| Free Reserve | 1,50,000 |
| Securities Premium Account | 1,00,000 |
| 10% Debentures | 1,00,000 |

The directors of Zee Ltd. have decided to buy back Equity Shares. Conditions as per the Companies Act have been complied with. Ascertain the possible buy back of Equity Shares.

- Buy back maximum Equity Shares at par.
- Buy back 4000 Equity Shares at best possible price

Q.5 A) Explain any 4 Accounting concepts

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B) Give use of computers in accounting

07

OR

Q.5 C) Give short notes (Any 3)

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- Bonus Shares
- Net Asset value Method
- Share Forefeiture
- Free Reserves
- Basic components of computers
