

Q1. (a) State whether the following statement is True Or False. (any 8)

1. Ex-interest price includes interest.
2. Cost of investment is purchase price and brokerage.
3. The interest on investment is calculated on Face value of investment.
4. Super profit is the excess of FMP over normal profit.
5. Goodwill is a intangible assets.
6. Application money transfer to share capital account.
7. ASB stands for Accounting Standard Board.
8. Goodwill is the value of reputation of business.
9. Hire purchase price is the cost price plus interest.
10. CPU does not include memory unit.

⑩

Q1. (b) Match the following. (any 7)

(7 marks)

| Group A                | Group B             |
|------------------------|---------------------|
| 1 Borrowed fund        | Investment Account  |
| 2 AS 13                | Cum-interest price  |
| 3 No Cost              | Inventory valuation |
| 4 Include interest     | Equity shares       |
| 5 AS 2                 | Calls-in-arrears    |
| 6 FMP (-) NP           | Buyback             |
| 7 Varying dividend     | Normal profit       |
| 8 Forfeiture of shares | Super profit        |
| 9 Repurchase           | Bonus share         |
| 10 ACE x NRR/100       | Debentures          |

Q2. PQR Ltd. issued 50,000 shares of Rs. 10 each at par, payable as under: Rs. 3 on Application, Rs. 3 on Allotment, Rs. 3 on 1<sup>st</sup> Call, Rs. 1 on final call. Company received application for 40,000 shares. All the applications were accepted. The company allotted the shares and received the amount as above. Pass journal entry in the books of company.

OR

Q2. Bharat Ltd. issued 50,000 shares of Rs. 10 each at par payable as under: Rs. 2 on Application, Rs. 3 on Allotment, Rs. 5 on Final Call. Company received application for 58,000 shares. Applications for 8,000 shares were rejected and refunded. Amount is duly received on allotment and final call. Pass journal entry in the books of ABC Ltd.

Q3. The net profits of a company after providing taxation, for the past 5 years are as follows:

| Year   | 1        | 2        | 3        | 4        | 5        |
|--------|----------|----------|----------|----------|----------|
| Profit | 2,80,000 | 2,84,000 | 3,90,000 | 3,92,000 | 3,94,000 |

Average capital employed is Rs. 36,00,000. NRR is @12% p.a. You are required to calculate the value of Goodwill for 5 years purchase of super profit method.

OR

Q3. Digjam Ltd. is having the profit after taxation, for the last 4 years are as follows:

| Year   | 1        | 2        | 3        | 4        |
|--------|----------|----------|----------|----------|
| Profit | 3,50,000 | 3,25,000 | 3,60,000 | 3,35,000 |

Average capital employed of the company is Rs. 12,00,000. NRR is @ 10% p.a. You are required to calculate the value of Goodwill for 4 year purchase of super profit method.

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Q4. Convert the Balance sheet of M/s SONY MONY Enterprises as on 31<sup>st</sup> March 2014 in vertical form.  
Balance sheet as on 31<sup>st</sup> March 2014.

| Liabilities      | Rs.      | Rs.       | Assets             | Rs.      | Rs.       |
|------------------|----------|-----------|--------------------|----------|-----------|
| Sundry creditors |          | 280,000   | Cash in hand       |          | 2,000     |
| Bills payable    |          | 2,20,000  | Cash at bank       |          | 31,000    |
| Capital          | 8,80,000 |           | Sundry Debtors     |          | 9,300     |
| Less: Drawings   | (76,000) | 10,93,238 | Bills receivable   |          | 1,400     |
| Add: Net Profit  | 2,89,238 |           | Closing stock      |          | 1,100     |
|                  |          |           | Prepaid expenses   |          | 3,600     |
|                  |          |           | Loose tools        | 20,000   |           |
|                  |          |           | Less: depreciation | (2,000)  | 18,000    |
|                  |          |           | Furniture          | 8,000    |           |
|                  |          |           | Less: depreciation | (800)    | 7,200     |
|                  |          |           | Plant & Machinery  | 2,00,000 |           |
|                  |          |           | Less: depreciation | (20,000) | 1,80,000  |
|                  |          |           | Building           | 1,00,000 |           |
|                  |          |           | Add: extension     | 24,000   |           |
|                  |          |           | Less: depreciation | (5,600)  | 1,18,400  |
|                  |          |           | Land               |          | 40,000    |
|                  |          | 15,93,238 |                    |          | 15,93,238 |

OR

Q4. Convert the following in vertical statement showing cost of production and gross profit for the year 31<sup>st</sup> December, 2013.

| Particulars                       | Rs.      |
|-----------------------------------|----------|
| Purchase of Raw Material          | 1,24,000 |
| <b>Opening Stock:</b>             |          |
| -Raw material                     | 34,000   |
| -Finished goods                   | 50,000   |
| -Work in progress                 | 18,000   |
| Carriage on Raw material          | 11,200   |
| Raw material returns              | 22,000   |
| Repairs of plant and machinery    | 11,200   |
| Factory rent and taxes            | 2,000    |
| Depreciation on factory building  | 600      |
| Electric power consumed           | 4,000    |
| Sales                             | 3,88,000 |
| Manufacturing wages               | 28,000   |
| Sales return                      | 22,400   |
| Depreciation on plant & machinery | 16,000   |
| Factory insurance                 | 10,000   |
| <b>Closing Stock:</b>             |          |
| Raw material                      | 12,000   |
| Work in progress                  | 10,000   |
| Finished goods                    | 40,000   |

Q5. Write Short Notes. (any 3)

- 1.
2. Buyback of Shares.
3. Accounting Standards in India.
4. computerised accounting.
5. Distinguish between Shares & Debentures.
6. Accounting Standards issued by the Institute of Chartered Accountants of India

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