

Qno1) Write true or false (Any 8)

(08)

1. Debenture interest is payable only when the company makes profit
2. Buy-back can be out of a security premium.
3. Super profit is the excess of maintainable profit.
4. The company under the company act must give a final account only in vertical form.
5. Equity shares are redeemable.
6. Debenture holders are the owners of the company .
7. Company can buyback 30% of its equity capital.
8. Goodwill is valued when there is change in ownership of business.
9. Companies can pay a dividend before providing for depreciation of the past year.
10. Paid up capital cannot exceed its authorised capital.

Qno2. Match the following.(Any 7)

(07)

- | | |
|--|-----------------------------------|
| 1. Premium payable on Debentures | a. 15% |
| 2. preliminary expenses. | b. At cost |
| 3. Buy back. | c. Sweat Equity |
| 4. Share issues to employees. | d. Security Premium Account |
| 5. Debentures Redemption Reserve. | e. Other Current Assets. |
| 6. Bank Overdraft | g. 2:1 |
| 7. Fixed asset in the balance sheet valued | h. 25% |
| 8. Debt equity Ratio. | i. Short term Borrowings. |
| 9. SEBI guidelines | j. Maximum paid up capital 100000 |
| 10. Private company | k. IPO |

Qno3) Ms. Natasha is handling IPO of BBI Ltd. the details are as follow :

(8)

No of share to be issued 1,20,000 price Band ₹25-28

Application	Price
Shares	
75,000	27
25,000	25
50,000	28

Cut off price ₹26.

Q.No.3) A company buys back 50,000 shares of Rs. 10 each at Rs. 25 per share. The reserves of the company are as follows:

₹

(7)

Securities Premium	15,00,000
General Reserve	20,00,000
Profit and Loss A/c	3,00,000

For liquidity, the company also sold investments costing Rs. 10,00,000 at 5% profit. Pass the necessary entries in the books of the company for the above.

OR

Q.no.3) From the following trial balance of Vishal Ltd .Prepared the Balance sheet of the companies on 31 March 2017 as per company Act (15)

Trial Balance as on 31st March ,2017

Debit	₹	Credit	₹
Advance to employee	3,00,000	Equity share capital	52,00,000
cash at bank	3,14,320	Capital Reserve	60,000
furniture and fixture	7,50,000	Loan from RBI	8,00,000
Premises	41,09,940	Provision for employee welfare fund	6,00,000
Patent	10,00,000	Provision for Expense	1,64,000
Expense on issue of share(unwritten off)	25,000	Short term loan from Bank	4,90,200
Trade Receivable	3,66,240	Unpaid Dividend	64,800
Advanced Tax	50,000	Profit and Loss A/c	42,980
8% Government Bond	3,36,000	Bill Payable	85,100
Stock in trade	3,55,600	Sundry Creditor	1,00,020
	76,07,100		76,07,100

Q.No.4) The following is the summarized balance sheet of Virendra Ltd.as on 31st March ,2015 (15)

Liabilities	Rs.	Assets	Rs.
50,000 Equity Shares of Rs. 20 each fully paid up	1000000	Machinery	480000
Securities Premium A/c	2,00,000	Furniture	2,00,000
General Reserve	4,78,800	Stock	12,40,000
Profit and Loss A/c	3,14,000	Debtors	412000
Sundry Creditors	8,18,000	Cash in Hand	6800
Provision for Taxation	3,96,000	Cash at Bank	8,68,000
	32,06,800		32,06,800

The company transfers 20% of its profits (after tax) to General Reserve. Net profits before taxation for the last three years have been as follows:

For the year ended 31st March 2013 Rs. 5,44,000

For the year ended 31st March 2014 Rs. 7,32,000

For the year ended 31st March 2015 Rs. 7,88,000

Machinery is valued at Rs. 6,37,200.

Average yield in this type of business is 20%. The rate of tax is 50%. Use simple average.

Calculate the value of one Equity Share on the basis of

(a) Intrinsic worth

(b) Yield basis.

OR

Q.No.4) On 1st January 2016, 1000- 12% Debentures of Rs. 100 each of Shiva Ltd. were held as investment by Mr. Dharmesh at a cost of Rs. 91,000. Interest is payable on 31st December.

(15)

On 1st April 2016, Rs. 20,000 of such debentures were purchased by Dharmesh @Rs. 98 cum-interest.

On 1st September 2016, Rs. 30,000 of such debentures were sold at Rs. 96 ex- interest.

On 1st December 2016, Rs. 50,000 of such debentures were sold at Rs. 99 cum- interest. Interest is received on due date.

Prepare investment account for 12% debentures of Shiva Ltd. in the books of Mr. Dharmesh valuing closing stock as on 31st December 2016 applying AS-13. The debentures were quoted at Rs. 93 on 31st December 2016.

OR

Q.No.5) The balance sheet of KMT Ltd. as on 31st March, 2017 is as follows: (15)

Liabilities	₹	Assets	₹
10,000 shares of Rs. 10 each fully paid	1,00,000	Land and Building	84,000
Profit and Loss A/c	20,000	lant and Machinery	60000
Debentures	15,000	Furniture and Fittings	5000
Trade Creditors	20,000	5% tax free Government Bonds	20000
Provision for taxation	9,000	Stock	2000
Proposed Dividend	15,000	Book debts	6000
		Cash	2,000
Total	1,79,000	Total	179,000

The net profits of the company after charging depreciation and taxes for the years ending 31st March were as follows:

2013- Rs. 17,000; 2014 - Rs. 19,000; 2015 - Rs. 18,000; 2016-Rs. 20,000 and 2017 - Rs.19,000.

On 31st March, 2017 assets were valued as under:

Land and Building - Rs. 95,000, Plant and Machinery - Rs. 71,000, Furniture and FittingRs. 4,000.

10% return on investment can be considered fair for the business.

You are required to find value of goodwill on the basis of five years purchase of super profits

OR

Q.No.5) Enron Ltd. gave notice of its intention to redeem its outstanding Rs. 6,00,000 - 8% debentures at Rs. 103 and offered the holders the following options: (15)

(a) 10% Preference shares of Rs. 20 each at Rs. 25.

(b) 9% Debentures at Rs. 96.

(c) To have their holdings redeemed for cash.

(i) The holders of Rs. 1,80,000 debentures accepted proposal (a).

(ii) The holders of Rs. 2,40,000 debentures accepted proposal (b).

(iii) The remaining debentureholders accepted proposal (c).

Pass necessary journal entries in the books of Enron Ltd.

Company decided to use the minimum amount of profit required by law.

Q.No.6) Explain use of Computer in banking ,science and technology,service sector,satellite and accounting. OR (15)

Q.No.6) Write Short Notes

1.Redemption by consumption

2.Share capital

3.Debentures

4.Advantages and disadvantages of computer

5.International Accounting Standard