

06/05/22

VCD _____ FYBIM SEM II FINANCIAL ACCOUNTING II 75MARKS 2.5HRS

Q1. Fill in the Blanks with suitable option:

(40 Marks)

1. The carrying amount of current investment is to be shown at _____.
(a) Face value of share (b) Cost or Market value whichever is lower (c) Paid up value of share (d) Cost or Market value whichever is Higher
2. The cost of investment sold is to be ascertained as per AS-13 _____ method.
(a) FIFO (b) Weighted average (c) LIFO (d) Sample average
3. Investments intended to be held for more than 12 months is called _____ investment.
(a) Current (b) Annual (c) Long-Term (d) Trade
4. The requirements regarding investment are specified in AS _____.
(a) 3 (b) 12 (c) 13 (d) 14
5. Equity shares is a _____.
(a) Fixed income bearing security (b) Fluctuating income bearing security
(c) Safe security (d) None of the above
6. Sale proceeds of rights shares is credited to _____ A/c.
(a) Profit and Loss A/c (b) Investment A/c (c) Capital Reserve A/c (d) None of the above
7. The interest up to the date of transaction is paid in addition to the price in case of _____ quotation.
(a) Cum-interest (b) Ex-interest (c) Fixed price (d) All types of
8. _____ Paid up Preference Share can be redeemed.
(a) Fully (b) Partly (c) Fully subscribed (d) Unpaid
9. Which of the following is Not a Divisible Profit _____
(a) General Reserve (b) Profit & Loss A/c (c) Investment Fluctuation Reserve (d) C.R.R
10. A company cannot issue redeemable preference shares for a period exceeding _____.
(a) 6 years (b) 7 years (c) 8 years (d) 20 years.
11. The Capital Redemption Reserve A/c can be used for: _____
(a) payment of dividend (b) writing off accumulated losses (c) issue of fully paid shares as bonus for (d) all of the above
12. If pref. shares are redeemed at premium, such premium may be provided out of: _____
(a) Profit and loss account (b) Proceeds of fresh issue of shares (c) Forfeited Shares Account (d) Capital Redemption Reserve Account
13. FEF stands for _____.
(a) Foreign Exchange Forecast (b) Fluctuation Exchange Foreign (c) Foreign Exchange Fluctuation (d) Forecast Exchange Fluctuation
14. Accounting for effects of changes in Foreign Exchange rate is governed by _____.
(a) AS-9 (b) AS-11 (c) AS-14 (d) AS-10
15. Exchange Rate is _____.
(a) Ratio of Exchange of Two Currency (b) Means of the exchange in force during a Period (c) Exchange rate at balance sheet date (d) None of the above
16. The profit on Import is recorded at _____ A/c.
Credit Side of FEF (b) Debit side of FEF (c) P&L (d) Not Recorded

17. NPO means _____.
Non-Profit Organization (b) No Profit Organization (c) Non-Profit Operations (d) None of the above.
18. Donation Capitalized is recorded under _____ Side
Liabilities (b) Assets (c) Income (d) Expenses
19. Income and Expenditure is _____ A/c.
Personal (b) Real (c) Nominal (d) Impersonal
20. Outstanding Subscription for current year should be _____ in total subscriptions.
Added (b) Deducted (c) Ignored (d) Can't Say

Q2. On 1st April, 2011, Miss Prachiti had 1,000, 9% Debenture of Rs. 100 each at Rs. 108 (in K.K. Limited) held as investments.

K.K. Ltd. Pays interest on 30th June and 31st December every year. Prachiti had following transaction during the year.

1st June, 2011 - Purchase 800, 9% Debenture at Rs. 98 Ex-Interest

1st December, 2011 - Sold 900, 9% Debenture at Rs. 105 Ex-Interest.

Prepare Investment in 9% Debenture account for the year ending 31st March, 2012. (7 Marks)

OR

Q2. The following transaction of Miss Naina took place during the year ended 31/03/2014.

Date	Transactions
12/04/2013	Purchase 1,00,000 Equity shares of Rs. 10 each in "ABC" Ltd. For Rs. 50,00,000
15/05/2013	ABC Ltd. Made Bonus issue of 3 Equity shares for every 2 shares held.
30/6/2013	Naina sold 1,25,000 Bonus shares for Rs. 20 each

Prepare Equity shares in ABC Ltd. Account in the books of Miss Naina for the year ended 31/03/2014.

(7 Marks)

Q3. Balance sheet of Shiva Ltd. on 31st March, 2017 was as under:

Liabilities	Rs.	Assets	Rs.
10% Preference Shares of Rs. 100 each fully paid	5,00,000	Fixed Assets	11,00,000
Equity Shares of rs. 10 each fully paid	10,00,000	Investment	4,00,000
Securities Premium	4,00,000	Bank	90,000
General Reserve	3,00,000	Other Current Assets	14,00,000
8% Debentures of rs. 100 each	4,00,000	Preliminary Expenses	10,000
Current Liabilities	4,00,000		
	30,00,000		30,00,000

On the above date the company decided to redeem its preference shares at 10% premium. For this purpose, the company sold its investments at a profit of 10% and issued 25,000 equity shares of rs. 10 each at par. Preference Shares were duly redeemed. All the money under new issue was received and all money on redemption was paid. You are required to give necessary journal entries for the above transactions keeping in view all the legal requirements (7 Marks)

OR

Q3. ABC Limited had issued - 1,50,000 - 10% preference shares of Rs.10/- each, redeemable at premium of 10% on 31st December, 2017. The company has adequate balance in General Reserves. To provide funds for redemption, company - i) Sold investments costing Rs. 2,00,000 for Rs 3,00,000. (ii) Issued for cash - 2,500 -15% Debentures of rs.100 - at par. (iii) Issued - 50,000 equity shares of Rs.10/- at premium of Rs.7- Per Share. Show journal entries. (7 Marks)

Q4. From the Receipt and Payment Account prepare Income and Expenditure Account for the year ended 31st March 2020. (7 Marks)

Dr.

Receipt	Amount	Payment	Cr. Amount
To Balance b/d	3,000	By Salaries	4,000
To Subscription	5,000	By Printing and Stationery	1,000
To Donation (Revenue)	5,000	By Commission	500
To Entrance Fees	4,000	By Rent	2,000
To Interest	1,000	By Electric Charges	1,500
		By Furniture	8,000
		By Balance c/d	1,000
	18,000		18,000

Additional Information:

Subscription includes Rs.1,000 as subscription received in advance and subscription outstanding for current year Rs.500.

OR

Q.4 From the Receipt and Payment Account prepare Income and Expenditure Account for the year ended 31st March 2021. (7 Marks)

Dr.

Receipt	Amount	Payment	Cr. Amount
To Balance b/d	5,000	By Salaries	10,000
To Subscription	50,000	By General Expenses	5,000
To Donation	75,000	By Commission	5,000
To Entrance Fees (50% Revenue)	20,000	By Rent	20,000
		By Machinery	1,00,000
		By Balance c/d	10,000
	1,50,000		1,50,000

Additional Information:

- Subscription includes Rs.5,000 as subscription received in advance and subscription outstanding for current year Rs.1000.
- Depreciate Machinery at 10% P.a.

Q.5 On 1st Jan 2020, Ram Ltd an Indian importer purchased \$1, 50,000 goods from Lucky Ltd of USA. The payment and Exchange rate is as follow. (7 Marks)

DATE	PAYMENT	1 \$ =
01/01/2020	-	69.00
10/02/2020	\$ 75,000	69.50
15/03/2020	\$ 25,000	67.60

31/03/2020	-	65.00
20/04/2020	\$ 50,000	66.75

You are required to calculate Exchange Rate Difference in Tabular format.

OR

Q.5 On 1st Jan 2020, Suraj ltd an Indian exporter sold goods worth \$ 2, 50,000 to Raymond Ltd of USA. The payment and Exchange rate is as follow. **(7 Marks)**

DATE	PAYMENT Received	1 \$ =
01/01/2020	-	70.00
10/02/2020	\$ 75,000	71.00
15/03/2020	\$ 75,000	69.50
31/03/2020	-	69.00
20/04/2020	\$ 1,00,000	70.50

You are required to calculate Exchange Rate Difference in Tabular format.

Q6. Write short Notes (Any 2)

(7 Marks)

1. Divisible Profits
2. Ex-Interest and Cum-Interest
3. What is Investment and its Factors.
4. Characteristics of NPO
5. Monetary Items

munotes.in