

Q.1(a) State whether the following statements are true or false: (any 8)

(8)

1. Interest is always calculated on the market value of the security.
2. When the rights are sold no entry is made in the Investment Account
3. Not for Profit Concern do not have profit motive
4. Excess of assets over liabilities is called Capital Expenditure
5. Dividend on shares accrues on the date of the book closure by the company
6. Nominal value Column in the Investment A/c is only a memorandum Column.
7. Not for Profit Concern do not prepare Balance sheet.
8. Preference shareholders have voting rights .
9. Dividend is always calculated on the face value or Nominal value of the shares.
10. Total payment by purchaser = Ex. Interest price - Accrued interest

Q.1(b) Match the column : (any 7)

(7)

Column A

Column B

- | | |
|------------------------------------|------------------------------------|
| 1. Goodwill | a. Fluctuating Dividend |
| 2. Machinery | b. Debentures |
| 3. Investment Accounting | c. Fixed Dividend |
| 4. Preference shares | d. AS 13 |
| 5. Variable Income | e. Non divisible profit |
| 6. Equity shares | f. Tangible Asset |
| 7. Fixed Income Bearing Securities | g. Pre acquisition dividend |
| 8. Sec 80 and 80 A | h. Equity shares |
| 9. Shares Purchased | i. Intangible Asset |
| 10. Dividend Equalization Reserve | j. Redemption of preference shares |

Q.2 (a) I Ltd. has a branch in Sydney, Australia. At the end of March, 2017 the following ledger balances have been extracted from the books of the Sydney office:

Sydney (Australia Dollars thousand)

Particulars	Dr. \$	Cr \$	Particulars	Dr. \$	Cr \$
Plant & Machinery	200	-	Goods Sent to	5	

(Cost)			Branch		
Plant & Machinery (Depr.)		13-0	Wages and Salaries	45	
Debtors/Creditors	60	30	Rent	12	
Stock (1-4-2016)	20		Office Expenses	18	
Cash/Bank Balances	10		Commission Receipts		100
Purchases/Sales	20	123	Branch/H.O. Current A/c		7
				390	390

The following information is also available: Goods sent by H.O. Rs 100 thousand. Branch A/c in H.O. Rs 120 thousand. Stock at 31-3-2017, Sydney Branch Australian \$3,125. You are required to convert the Branch Trial Balance into rupees: (Use the following rate of exchange: Opening Rate ₹ = 20; Closing Rate ₹ = 24; Average Rate ₹ = 22; For Fixed Assets ₹ = 18) Ascertain the exchange loss or gain, according to AS 11 (Revised 2003) assuming that the branch operations are integral (i.e. it is a "dependent" branch) (15)

OR

Q.2 (a) Gems Ltd submits following information as on 31st Mar 2016

Particulars	Rs
Fixed Asset (tangible)	15,00,000
Current Assets	6,00,000
Patent Right	2,50,000
Investments	1,00,000
Capital Issue Expenses	50,000
Liabilities	4,00,000

Capital Comprise of 12,500 shares of Rs. 100 each fully paid. It is ascertained that Patent Rights are Valueless. Ascertain The value of shares on asset backing method. (07)

Q.2 (b) Bheem Ltd capital is Rs 11,00,000 divided in shares of Rs 10 each. Of these 40,000 shares are 8% Preference and remaining are equity shares. The average profit (after tax @ 50 %) earned during past 3 years is Rs 1,50,000 In future expenses will increase by Rs 12,000. The expected yield for risk capital is 10% net of tax.. Find value of equity shares (08)

Q.3 The firm Hardik and Co. with its H.O. in Bhopal has a branch in Sydney. At the end of each year (December 31) a Trial Balance sent by the branch in Australian dollar currency is converted into Rupee currency at the head office. The following Trial Balance for the year has been compiled at the branch as on 31st December, 2017

Particulars	Dr. \$	Cr \$
Bills Receivable	2500	
Sundry Debtors	3800	
Sundry Creditors		1100
Purchases	13,500	
Sales		22,800
Furniture and Fixtures	1340	
Stock (1st January, 2017)	2000	
Establishment Expenses	2000	
Salaries	1400	
Rent, Rates and Taxes	400	
Sundry Expenses	1450	
Depreciation on Furniture and Fixtures	128	
Remittances to H.O.	1502	
Head Office Account		6920
Cash on hand and at Bank	800	
TOTAL	30,820	30,820

The stock in hand on December 31st 2017 was \$ 2500. The rates of exchange were: From December 31st, 2016 to June 30th, 2017 1\$ = 34. From 1st July, 2017 to 31st December, 2017 1\$=36. In the Bhopal books the balance of the Sydney Branch Account and of the remittances from Sydney Branch Account appear as 1,78,847 and 37,068 respectively. The original Furniture and Fixture were bought when the rate of exchange was \$1=30. Convert the above Trial Balance into Rupees currency. prepare the final accounts of the branch.(15)

OR

Q.3. On 1-4-2010 Mrs. Minal had 3,00,000, 12% Debentures at Rs 94 each (face value 100). Interest & payable half yearly on 30th June and 31st December every year. On 1-9-2010 Mrs. Minal sold 90,000 of 12% debentures at Rs 95 cum-interest. These 12% debentures were quoted at Rs 96 per debenture at the stock exchange on 31-3-2011. Draw up 12% Debenture account in the books of Mrs. Minal for the year ended 31-3-2011. (15)

Q.4(a) Following figures appear in the balance sheet of A Ltd:

Particulars	RS
Redeemable 5,000 preference share of rs 100 each	5,00,000
5,000 Equity shares of Rs 100 each	5,00,000
Profit & loss a/c	6,00,000
Securities premium	20,000

A Ltd decided to redeem preference shares at 10% premium. For this purpose it issued 30,000 equity shares of Rs 10 each.. Pass Journal Entries (8)

Q.4(b) Z Ltd co. has 12,000 Redeemable preference shares of Rs 100 each fully paid. The company decides to redeem these shares at 10% premium. The company makes the following issues: (a) 3,000 Equity shares of Rs 100 each at 10% premium (b) 2,000 Debentures of Rs 100 each. The issue was fully subscribed and allotments were made. The redemption was carried out. Journalize the transactions. (7)

OR

Q.4. Suraj Fabrics Ltd Balance sheet as on 31-3-2017

Particulars	Notes	Amt (Rs)	Amt (Rs)
[A] Equity and Liabilities			
1 Shareholders Funds:			
share capital	1	5,50,000	
reserves and surplus	2	3,70,000	
			9,20,000
2. Current Liabilities			
Trade Payables			92,000
TOTAL			10,12,000
[B] Assets			
1. Non current Assets			6,90,000

2. current assets ; cash			3,22,000
TOTAL			10,12,000

Notes forming part of Financial Statements:

Particulars	Notes	Amt (Rs)
Share Capital:	1	
39,000 Equity shares of Rs 10 each fully paid		3,90,000
16,000 6% Redeemable preference shares of Rs 10 each		1,60,000
Total share capital		5,50,000
Reserves and Surplus	2	
Profit /loss a/c		3,70,000

The Preference shares were redeemed on April 1, 2017 at premium of Rs 2 per share. The whereabouts of 1,200 of such shares are not being known. The co issued 10,000 equity shares of Rs 10 each at premium of Rs 2 per share for redemption. Prepare journal entries and also its balance sheet (15)

- Q.5(a) Distinguish between Profit organization & Not for Profit organization (8)
 (b) Types of Receipts and Payments. (7)

OR

Q.5 Short Notes: (any 3): (15)

1. Features of Not for Profit organization
2. Intrinsic value
3. Yield Value Method
4. Accounting For Investment
5. Capital Redemption Reserve