

Time: 2 ½ Hours

Marks: 75

Instructions:

1. All Questions are compulsory. Questions 2 to 4 have an internal choice
2. Figures the right indicates full marks
3. Use of simple calculators is allowed
4. Working notes should form part of your answer.

Q1A) Match the Column (Any 8 out of 10)

8

Column A	Column B
1 Class of Shares	A Public Deposits
2 Calls in Arrears	B Weighted Average Method
3 Issue more than face value	C Intangible Asset
4 Goodwill	D Excess Profit
5 Super profit	E issue at premium
6 Debentures	F Less from Share Capital
7 Cost of Investment	G Security with fixed income
8 Unsecured Loans	H Cost of Material Consumed
9 Secured Loans	I Two
10 Carriage Inward	J Bank loan

Q1B) State whether the following statement are true or false (Any 7 out of 10)

7

- 1 A partnership firm can issue equity shares
- 2 Debenture holder are creditors of company
- 3 IPO stands for Investment Period Offer
- 4 Right issue increases share capital
- 5 Investments are valued at cost
- 6 Loss on Sale of Investment is debited to Profit & Loss Account
- 7 Investment held for less than 12 months are considered as Long Term Investments
- 8 NRR stands for Normal Rate of Return
- 9 Contribution to Provident Fund is Other Expenses from Company
- 10 Authorised Capital is disclosed only for information

Q2) On 1st April, 2022; Mr. Mohandas held 400, 6% debentures of Rs 100 each of Best Ltd., cost being Rs 36,400. Best Ltd. pays interest on 30th June and 31st December every year. The following other transactions were entered by Mr. Mohandas during the year ended 31st March,

Date	No. of debentures	Transactions	Rates
1st April, 2022	200	Sale	Rs 98 cum-interest
1st Oct, 2022	200	Purchase	Rs 104 ex-interest
1st Dec, 2022	400	Purchase	Rs 97 cum-interest
1 st Feb, 2023	200	Sale	Rs 99 ex-interest

2023 in regard to these debentures. Prepare Investment Account as per AS-13

15

OR

Q2) Mr. Shyam had 20,000 equity shares of AP Ltd. on 1st April, 2022. The face value of the share is Rs 10 each but book value on 1st April, 2022 was Rs 18 per share.

- i. On 1st May, 2022 he purchased another 2,000 equity shares in AP Ltd., at having market price of Rs 15 per share
- ii. On 1st June, 2022, he purchased additional 3,000 equity shares of the same company at a market price of Rs 3 higher than face value.
- iii. On 1st July, 2022 he sold 3,000 equity shares at Rs 22 per shares.
- iv. On 1st October, 2022 the directors of AP Ltd. had declared and issued bonus shares at the rate of one share for every four shares held as on that date.
- v. On 1st December, 2022 he purchased 2,500 equity shares of AP Ltd. when market price was Rs 20.
- vi. On 1st January, 2023, he purchased 2,000 right shares in AP Ltd. at ₹16 per share.
- vii. On 1st February, 2023 he sold 2,500 equity shares for Rs 26 per share.

Market Price of shares on 31st March, 2023 was ₹14 per share. Prepare Equity Shares A/c in Mr. Jinen's books for the year ended 31st March, 2023. **15**

Q3) From the following Trial Balance as at 31.3.2023 of Rama Ltd and the adjustment given draw the final accounts of the company by applying Revised Schedule III of Companies Act **15**

Particulars	Debit Rs	Credit Rs
Called up Capital :30,000 Shares of Rs 10 each		3,00,000
Securities Premium		60,000
Capital Reserve		35,000
General Reserve		70,000
Stock as on 1.4.2022	2,00,000	
Purchases and Sales	10,25,000	14,40,000
Return Inwards and Return Outwards	15,000	25,000
Profit & Loss as on 1.4.2022		15,000
Plant & Machinery	1,50,000	
Building	2,00,000	
Motor Van	1,00,000	
Debtors and Creditors	1,63,000	1,00,000
Bank Interest	6,000	1,000
Loan From Bank		1,25,000
Bills Payable		28,500
Cash at Bank	40,000	
Cash in Hand	4,500	
Share Issue Expenses	30,000	
Manufacturing Wages	90,000	
Gas and Fuel	60,000	
Directors Fees	10,000	
Auditors Fees	6,000	

Administrative Expenses	30,000	
Salaries	50,000	
Insurance	7,500	
Maintenance of Motor Van	12,500	
	21,99,500	21,99,500

Closing Stock as on 31.3.2023 was Rs 3,15,000

OR

Q3) Following is the Trial Balance of Rutuja Ltd as on 31st March 2023

15

Particulars	Debit	Credit
Cash in Hand	78,000	
Cash at Bank	1,37,200	
Share Capital		36,80,000
9% Debentures		12,00,000
Bank Overdraft		8,00,000
Investment	40,000	
Bills Receivables	5,60,000	
Sundry Debtors/ Creditors	22,00,000	9,60,000
Security Deposit	16,000	
Profit & Loss Account		11,60,000
Securities Premium		3,60,000
Interest on Debentures Outstanding		27,000
Goodwill	2,60,000	
Land & Building	7,60,000	
Plant & Machinery	12,00,000	
Furniture	1,80,000	
Provision for Taxation		4,82,000
Advance Tax	4,00,000	
Bills Payable		1,20,000
General Reserve		4,00,000
Stock in Trade	33,97,800	
Capital Reserve		40,000
	92,29,000	92,29,000

Additional Information :

- 1) The Authorised Share Capital of the company was Rs 1,20,00,000 divided into 12,00,000 Equity Shares of Rs 10 each
- 2) Sundry Debtors includes Rs 3,60,000 due for more than six months
- 3) Bills Receivable discounted with the bank not matured till the balance sheet date is amounted to Rs 30,000.

Draw Balance Sheet as on 31st March 2023 as per Revised Schedule VI requirements after applying additional information.

Q4) The Balance Sheet of Raj Company as at 31/3/2023 was as follows : (15)

Liabilities	Rs	Asset	Rs
Share Capital of Rs 100 each	2,00,000	Land & Building	1,10,000
General Reserve	40,000	Plant & Machinery	1,30,000
Profit & Loss Account	32,000	Stock	68,000
Sundry Creditors	1,20,000	Debtors	88,000
Bills Payable	68,000	Bank Balance	64,000
	4,60,000		4,60,000

The expert revalued Land & Building at Rs 2,16,000 .Goodwill at Rs 2,50,000 and Plant & Machinery at Rs 1,15,500.Out of Debtors it was found debtors worth Rs 8,000 was bad. The profit of the company have been as follows: 80,000 ; 95,000 ; 1,05,000 . The company follows the practice of transferring 20% of profit to General Reserve. Similar type of companies earn at 12% of the value of their shares. Ascertain the value of the company's shares as under:

- 1) Intrinsic Value Method
- 2) Yield Value Method
- 3) Fair Value Method

Ignore Taxation and depreciation on revalued asset.

OR

Q4) On 31st March 2023 the Balance Sheet of Lambada Ltd was as follows :

Liabilities	Rs	Asset	Rs
Equity Shares of Rs 100 Each	15,00,000	Land & Building	3,00,000
Profit & Loss Account	1,55,000	Plant & Machinery	1,82,000
Bank Overdraft	30,000	Stock	4,50,000
Creditors	1,20,000	Sundry Debtors	10,00,000
Proposed Dividend	67,500	Cash	40,000
Provision for Taxation	1,15,000	Bank	15,500
	19,87,500		19,87,500

The Net Profit of the company after providing for tax were as follows :

Year Ended	Profit
31/3/2023	1,75,000
31/3/2022	1,50,000
31/3/2021	1,97,500
31/3/2020	1,50,000
31/3/2019	1,65,000

On 31st March 2023, Land & Building was revalued at 4,50,000 and Plant & Machinery was revalued at Rs 2,22,000.Normal Rate of Return can be considered at 8% .Goodwill is to be valued at 3 years purchase of super profits based on average profit of last 5 years. Find the intrinsic value of equity shares. (15)

Q5 A) Explain the term Preference Shares and types of preference shares ? **8 marks**

Q5 B) Explain Equity Shares and features of equity shares **7 marks**

OR

Q5 Write Short Notes On : (Any 3 / 5) **15 marks**

- 1) Right Shares
- 2) Carrying Cost as per AS-13
- 3) Types of Debentures
- 4) Yield Method
- 5) Disclosure of Share Capital in Company Balance sheet

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