

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

(8 marks)

1. Ex-interest price excludes interest.
2. Cost of investment includes 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 tangible 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. Cost of investment includes purchase price and brokerage.
10. CPU does not include memory unit.

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 40,000 shares of Rs. 10 each at par, payable as under: Rs. 2 on Application, Rs. 3 on Allotment, Rs. 5 on 1<sup>st</sup> Call, Rs. 2 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 40,000 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 48,000 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	1,80,000	1,84,000	1,90,000	1,92,000	1,94,000

Average capital employed is Rs. 16,00,000. NRR is @10% p.a. You are required to calculate the value of Goodwill for 4 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	1,50,000	1,25,000	1,60,000	1,35,000

Average capital employed of the company is Rs. 11,00,000. NRR is @ 10% p.a. You are required to calculate the value of Goodwill for 5 year purchase of super profit method.

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.
Outstanding expenses		22,400	Cash in hand		2,000
Sundry creditors		280,000	Cash at bank		31,000
Bills payable		2,20,000	Sundry Debtors		9,36,038
Capital	8,80,000		Bills receivable		1,40,000
Less: Drawings	(76,000)		Closing stock		1,40,000
Add: Net Profit	2,89,238	10,93,238	Prepaid expenses		3,000
			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
		16,15,638			16,15,638

OR

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

Particulars	Rs.
Purchase of Raw Material	24,000
<b>Opening Stock:</b>	
-Raw material	24,000
-Finished goods	40,000
-Work in progress	8,000
Carriage on Raw material	1200
Raw material returns	2,000
Repairs of plant and machinery	1200
Factory rent and taxes	2,000
Depreciation on factory building	600
Electric power consumed	4,000
Sales	88,000
Manufacturing wages	8,000
Sales return	2400
Depreciation on plant & machinery	1600
Factory insurance	1000
<b>Closing Stock:</b>	
Raw material	12,000
Work in progress	10000
Finished goods	40,000

Q5. Write Short Notes. (any 3)

1. Explain the Use of computer in accounting.
2. Distinguish between Shares & Debentures.
3. Accounting Standard Board of ICAI
4. Buyback of Shares.
5. Accounting Standards in India.