

08/04/2015
Wednesday

75/25 / 60/407
T.Y.BAF (Sem-IV)
Sub: Financial Ac-IV

Library

QP Code : 11345

(2½ Hours)

[Total Marks : 75]

- N.B. : (1) All questions are compulsory.
(2) Figures to the right indicate full marks.

1. (A) Fill in the blanks (Attempt any eight) :—

- (i) Discount on buy back is credited to _____ account.
- (ii) The company opens _____ account for providing fund for buy back of shares.
- (iii) The profit on cancellation of own debenture is _____ profit.
- (iv) Interest on own debenture is debited to _____ account.
- (v) Forfeited share account is not _____ profit.
- (vi) Amount of calls in arrears is deducted from _____ up capital.
- (vii) _____ debentures need not be registered.
- (viii) Interest on debenture is payable on _____ value of debentures.
- (ix) Debenture stock can be paid in _____.
- (x) Revaluation reserve is not a _____ profit.

(B) State whether the following statements are True or False (Attempt any seven) :—

- (i) Interest on calls in arrears is 6%.
- (ii) The right issue can be oversubscribed.
- (iii) The buyback of shares has to be authorised by articles of association.
- (iv) Equity shares can be bought back out of security premium balance.
- (v) Co-operative society is a corporate body distinct from its members.
- (vi) Co-operative housing society prepares trading and profit and loss account.
- (vii) Parking charges are divided among the members equally.
- (viii) Entrance fees is treated as revenue receipt.
- (ix) Company cannot purchase its own debentures.
- (x) Debentures can be redeemed in instalment.

2. (A) Mitu Ltd. issued for public subscription 40,000 Equity shares of Rs. 20 15 each at a premium of Rs. 4 per share payable as under :—

- On application Rs. 4 per share,
- On allotment Rs. 10 per share (including premium),
- On first call Rs. 4 per share,
- On final call Rs. 6 per share.

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Applications were received for 60,000 shares. Allotment was made pro-rata to the applicants for 48,000 shares, the remaining applications being refused. Money over paid on application was utilized towards sum due on allotment. R to whom 1600 shares were allotted, failed to pay the allotment money and first and final call money. H to whom 2000 shares were allotted failed to pay the two calls. These shares were subsequently forfeited after the final call was made. All the forfeited shares were sold to B as fully paid up shares at ₹ 18 per share. Show the entries to record the above transactions.

OR

2. (P) Following is the Balance sheet of Madhavi company Limited as on 30th 15 April 2012 :—

Liabilities	₹	Assets	₹
4,000, 8% Red. Pref. shares of ₹ 100	4,00,000	Sundry assets	18,00,000
3,000, 9% Red. Pref. shares of 100		Cash at bank	6,60,000
each, ₹ 80 paid up.	2,40,000		
1,00,000 Eq. shares of ₹ 10 each	10,00,000		
Security premium A/c	50,000		
Revenue reserves	5,00,000		
Current liabilities	2,70,000		
	24,60,000		24,60,000

It was decided to redeem both the classes of Pref. Shares on 30 June, 20 12 at a premium of 5%. In May 2012 the company issued for cash so many Equity shares of ₹ 10 each as were necessary to provide for redemption of both classes of Pref. Shares which could not be otherwise redeemed. The issue was fully subscribed and all the moneys were received. Pass Journal Entries & draw up the amended Balance sheet.

3. (a) Mitu Ltd. gave notice of its intention to redeem its outstanding ₹ 4,00,000 15 6% Debentures stock of ₹ 100 each at ₹ 102 & offered the holders the following options to apply for their redemption moneys :

- To subscribe for 5% Cum. Pref. shares of ₹ 20 each at ₹ 22.50 per share.
- To subscribe for 6% (new) Debenture Stock of ₹ 100 each at 96%.
- To have their holdings redeemed for cash.

Holders of ₹ 1,71,000 stock accepted the proposal (a),
Holders of ₹ 1,44,000 stock accepted proposal (b),
and the remaining stockholders accepted the proposal (c),
Pass Journal Entries to record the above transactions.

OR

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3. (P) Mitu Publishers Ltd. issued on 1.4.2002 14% 4000 Redeemable debentures of Rs. 100 each at par, redeemable at a premium of 10% after 4 years. The company decided to set up a sinking fund for the redemption of the debentures setting aside necessary amount every year & investing it in investments carrying 12% interest p.a. The sinking fund factor 4 years @ 12% was Re.0.20964. On 31.03.2006, the sinking fund investments were sold for Rs. 3,15,500. 15

Pass journal entries and also ledger accounts. (Ignore entries for payment of debenture interest & writing off loss on issue of debentures).

4. (A) The Balance sheet of Madhavi Ltd. as on 31-03-2007 is as follows :— 15

Liabilities	₹	Assets	₹
<i>Authorised Capital</i>	?	<i>Fixed Assets :</i>	
<i>Paid up Capital :</i>		Net block	60,00,000
Equity shares of Rs. 10 each	50,00,000	Investments	50,00,000
<i>Reserve & Surplus :</i>		Current assets	80,00,000
Security premium	5,00,000		
General reserve	20,00,000		
Profit & loss A/c	25,00,000		
<i>Secured Loans :</i>			
Debentures	50,00,000		
Current liabilities	40,00,000		
	1,90,00,000		1,90,00,000

Keeping in view all the legal requirements, ascertain the maximum number of equity shares that Madhavi Ltd. can buy-back @ Rs. 20 per share. Assume that the buy-back is carried out actually at the legally permissible terms, record the entries in the journal of Madhavi Ltd. and prepare Balance sheet thereafter.

OR

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4. (P) From the following trial balance of Dev Ashish Co-op. Hsg. Soc. Ltd. 15
prepare financial statements for the year ended 31st March, 2014.

Particulars	Amount (₹)	Particulars	Amount (₹)
Bank	3,85,241	Contribution from members :	
Cash	759	Property tax	18,500
Furniture	6,000	Water charges	85,000
Fire extinguishers	8,500	Lift maintenance	40,000
Water pump	9,500	Service charges	1,35,000
Garbage trolley	2,500	Insurance	11,000
Water tank	3,500	Sinking fund	12,500
Investment in sinking fund	27,900	Repairs fund	15,000
Investment in reserve fund	20,000	Interest	8,000
Investment in repair fund	70,800	Interest from members	1,12,000
Deposits	9,500	Share capital	75,000
Dues from members	12,500	Sinking fund	80,000
Electricity	15,200	Reserve fund	10,400
Rent	12,550	Repair fund	79,000
Water charges	79,000	Income & expenditure account	1,12,000
Salary	25,500		
Printing & stationery	11,000		
Conveyance	550		
Postage	2,000		
Sundry expenses	900		
Security charges	20,900		
Lift maintenance	25,200		
Fire insurance	24,000		
Accounting charges	16,000		
Audit fees	3,500		
Bank charges	400		
	7,93,400		7,93,400

Adjustments :

- (1) Provide depreciation - Furniture at 10%, and fire extinguisher, garbage trolley water pump and water tank at 15% each.
- (2) Interest accrued on - sinking fund investment Rs. 1,300, repairs fund investment Rs. 1,000 and reserve fund investment Rs. 500.
- (3) Expenses payable - telephone Rs.570, salary Rs.2,800, printing Rs. 500.
- (4) Insurance paid in advance Rs. 2,500.
- (5) Education fund payable Rs. 150.

5. Write any **three** of the following :—

- (a) Calls in arrears and calls in advance.
- (b) Provisions for the issue of debentures.
- (c) Modes of redemption of debentures.
- (d) Conditions for the buyback of shares.
- (e) Types of housing co-operative societies.

OR

5. (A) Define debenture and explain its various kind.

(B) What are the various sources of redemption of preference shares ?

—v—

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