Q.1. A. State whether the following statements are true or false. (Any 8)

1) While calculating the insurance claim, value of salvage is deducted from the stock on the date of fire.
2) If the gross profit rate is 25% on sales, then the gross profit is ¼ on cost.
3) Redemption of redeemable preference shares can be made only out of the proceeds of fresh issue of quality shares.
4) Dividend equalization reserve can be used as divisible profits while redeeming preference shares.
5) Interest on debenture redemption sinking fund investment is transferred to profit & loss a/c.
6) When all the debentures are redeemed, balance in the debenture redemption fund a/c is transferred to general reserve.
7) MIS reports requires by the management to assess the performance of the organization and allow for faster decision – making.
8) A budget is a plan prepared for the flow of funds in an organization.
9) Capital redemption reserve amount can be utilized for writing off share issue expenses.
10) For the redemption of debentures, sinking fund is created out of current years profit.

Q.1. B. Match the following (Any 7)

Column A	Column B
1) Average clause in fire insurance	a) 10 years from the date of issue
2) Closing stock on the date of fire	b) Can not be redeemed
3) Partly paid preference shares	c) Debited to sinking fund A/c
4) Capital redemption reserves	d) applies only in case of under-insurance
5) Alt + F	e) can be used only for issue of fully paid bonus shares.
6) Period of memorandum trading a/c	f) balancing figure in memorandum trading a/c
7) Maximum period for redemption of Preference shares.	g) to close a company
8) Loss on sale of cumulative sinking Fund investment	h) from the first day of accounting year to the date of fire
9) Alt + F2	i) to select the company info menu
10) Alt + F3	j) to change the period

Q.2. A fire occurred in the premises of Agni on 25th August 2013 when a large part of the stock was destroyed by fire salvage was Rs. 30,000. Agni gives you the following information for the period 1st Jan 2013 to 25th Aug 2013.

1. Purchases Rs. 1,70,000.
2. Sales Rs. 1,80,000.
3. Goods costing Rs. 10,000 were taken by Agni for personal use.
4. Cost price of stock on 1st Jan 2013 was Rs. 80,000.

   Over the past few years Agni has been selling goods at a consistent gross profit margin of 33 1/3%. The insurance policy was Rs. 50,000. It included an average clause.

   Prepare statement of claim

OR

Q.2. Fire occurred in the premises of ABC & Co. on 1st Sep 2013 and stock of the value of Rs. 50,500 was salvaged. Following information was available from the books.

Purchases for the year ended 31st March 2013, Rs. 3,50,000
Sales for the year ended 31st March 2013. Rs. 55,000
Purchases from 1st April 2013 to 1st Sep 2013, Rs. 90,000.
Sales from 1st April 2013, to 1st sep 2013, Rs. 1,50,000.
Stock on 31st March 2012, Rs. 1,50,000
Stock on 31st March 2013, Rs. 1,70,000

Further information is also given that the stock on 31st March 2013 was over valued Rs. 10,000.
Calculate the amount of claim.
Rate of Gross Profit based on the year ended 31st March 2013.

Q.3. The summary Balance Sheet of AMC Co as on 31st March 2013 is given here

Liabilities	Rs	Assets	Rs
Authorized share capital: 10,000 equity shares of Rs.100 each 20,000, 9% Redeemable preference shares of Rs. 10 each	10,00,000 2,00,000	Fixed assets Investments Cash at Bank Other current assets	3,00,000 2,00,000 10,000 4,00,000
Issued & Paid up Capital: 5000 equity shares of Rs. 100 each 9% Redeemable preference shares of Rs. 10 each fully paid up	5,00,000 2,00,000		
Profit & loss a/c	1,60,000		
Current liabilities	50,000		
	9,10,000		**9,10,000**