

Q1 A) True or False (Any 8)

08 Marks.

1. Debenture holder is the owner of the company.
2. Abnormal goods are slow moving goods .
3. Profit on re-issue of preference shares is credited to profit and loss account.
4. Bonus shares are issued free of cost.
5. A company can redeem only fully paid preference shares.
6. Average clause is used when goods are under -insured.
7. Memorandum Trading Account is prepared to find out stock on the date of fire.
8. A purchase order is issued by the seller to a buyer.
9. Insurance avoids loss due to fire.
10. The balance of Debenture Sinking Fund Investment Account is transferred to Debenture Sinking Fund Account.

Q1.B) Match the columns. (Any 7)

07 Marks

Group A	Group B
<ol style="list-style-type: none"> 1. Debenture Capital 2. Premium on Redemption of Debentures 3. Discount on issue of Debentures 4. Redemption of Preference Shares 5. Interest on Sinking Fund Investment. 6. Divisible Profit 7. Alt + A 8. Invoice 9. Alt + D 10. Fire Insurance 	<ol style="list-style-type: none"> A. Sinking Fund after deducting liability B. Used to Add a Voucher C. Repayment to preference Shareholders D. Sale of Goods/Services E. To Delete a Voucher F. Assets Side G. Credited to sinking fund Account H. Securities Premium I. Borrowed capital J. Cover Risk of Loss

Q.2. Mr. Yash prepares accounts on 30th September each year but on 31st December 2017 fire destroyed the greater part of stock. Following information was collected from the books.

15Marks

Stock as on 01.10.2017	23,760
Purchases from 01.10.2017 to 31.12.2017	60,000
Wages from 01.10.2017 to 31.12.2017	26,400
Sales from 01.10.2017 to 31.12.2017	1,12,000

The rate of gross profit is 33 1/3% on cost. Stock to the value of Rs. 2400/- was salvaged. Insurance policy was for Rs. 20,000/- and claim was subject to average clause.

Additional information:

- 1) Stock in the beginning was calculated at 10% less than cost.
 - 2) A plant was installed by firm's own worker. He was paid Rs. 400/- which was included in wages.
 - 3) Purchases include the purchases of the furniture for Rs. 4000/-
- You are required to calculate the claim for the loss of stock.

OR

Q2. Arihant Traders have taken out a fire policy of Rs. 4,80,000. A Fire occurs on 31st March 2017 & Stock was destroyed with the exception of worth Rs. 1,24,080. Following particulars are available from the books of accounts of the firm

15Marks

Stock as on 1 st Jan, 2017	1, 80,000
Purchases to the date of fire	7,80,000
Sales to the date of fire	5,40,000
Commission paid to the purchase manager on purchase	15,600
Carriage paid on purchase	4,800
Average Gross profits on cost	33.5%

The policy was subject to Average Clause. You are required to arrive at the

- 1) Total Loss of Stock &
- 2) Amount of claim to be made against the insurance company.

Q.3. Following is the balance sheet of Kasturi Ltd as on 31-12-2016.

15Marks

Liabilities	Rs	Assets	Rs
50000 equity share of Rs 10 each fully paid up	5,00,000	Sundry Assets	17,00,000
5,000, 8% Redeemable preference shares of Rs 100each	5,00,000	Cash	3,00,000
Capital Reserve	2,50,000		
General Reserve	1,00,000		
Profit and loss A/C	4,75,000		
Current Liabilities	1,75,000		
	20,00,000		20,00,000

The preference shares were redeemable on 31.03.2016 at a premium of 10%; for the purpose, the company decided to issue 50,000 Equity shares of Rs. 10 each at a premium of Rs. 4 per share payable in full on 15.03.2016. ignore dividend due.

Pass necessary Journal Entries.

OR

Following is the balance sheet of Radhe Ltd as on 31-03-2016.

15Marks

Liabilities	Rs	Assets	Rs
10, equity share of Rs 100	4,00,000	Fixed Assets	8,00,000
fully paid up		Investments	80,000
100, 8% Redeemable	2,00,000	(Market value Rs 88,000)	
Preference shares of Rs 100		Stock	
fully paid up		Debtors	1,40,000
General Reserve	1,20,000	Bank Balance	1,40,000
Profit and loss A/C	32,000		40,000
Security Premium	32,000		
Current Liabilities	4,16,000		
	12,00,000		12,00,000

The 8% preference shares are to be redeemed at a premium of 10%. Fresh issue of equity share to be made to the extent required in terms of the provision of the companies Act, 1956. All the investment to be sold at market value.

The Company Redeemed the preference shares except in case of one shareholder holding 20 preference share who could not be traced.

Subsequently the company issued bonus shares in the ratio of one equity share for every four equity shares held including new issue.

Pass necessary journal entries in the books of the Company.

Q.4. The A company issued 10,000 - 8% Debentures of Rs. 100 each at par on 01-01-2012 Redeemable on 31-12-2015 at par. The company decided to invest money outside business to provide funds for redemption. The outside investments were made @ 5% p.a. on the last day of each year. On 31st December, 2015, the company sold all investments for Rs. 7,25,000 and redeemed the 8% Debentures. The Sinking Fund value of Rs. 1 @ 5% interest for 4 years is 0.23012.

Prepare for all the four years:

1. 8% Debentures Account
2. Sinking Fund Account
3. Sinking Fund Investment Account

Note: Calculation to be rounded off to the nearest rupee.

15Marks

OR

Q.4. Beeta Limited had issued 5,000 12% debenture of Rs.100 each redeemable on 31st December, 2008 at a premium of 5% . The Company offered three options to Debentureholders as follows:

- A) 14% Preference Shares Of Rs. 10 At Rs. 12
- B) 15% Debenture of Rs.100 At Par,
- C) Redemption in cash

The options were accepted as under:-

- i) Option A by holders of 1,500 debentures
- ii) Option B by holders of 1,500 debentures
- iii) Option C by holders of 2,000 debentures

The redemption was carried out by the company.

Pass Journal Entries.

15Marks

Q5 A) List of five special function key combinations and their functionality.

(8 Marks)

Q5 B) Explain the need for insurance of stock against fire.

(7 Marks)

OR

Q5. Short Notes: (any three)

15Marks

- a. Sinking Fund
- b. Over and under valuation of stock.
- c. Redemption of Debenture.
- d. List the steps for entering the purchase order in Tally.
- e. Role of MIS.

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