

(2 Hours)

[Total Marks : 60

N.B. (1) Attempt all questions.

(2) Figures to the right indicate full marks.

(3) Working notes should form part of your answers wherever applicable.

1. On 1st January 2012, John Ltd. imported goods worth \$ 85,000 from Synergy Ltd. USA. The payments were made as under :— 15

Date	Amount (\$)	Exchange rate/dollar
10/01/2012	16,000	₹ 61
15/02/2012	18,000	₹ 62
15/03/2012	29,000	₹ 63
15/04/2012	22,000	₹ 59

Exchange rate on 1/1/2012 was 1 \$ = ₹ 60.

Books are closed on 31st March every year. The exchange rate on 31/3/2012 was \$ 1 = ₹ 63.

Pass necessary journal entries in the books of John Ltd. to record the above transactions and also prepare Synergy Ltd., USA Account and foreign exchange fluctuation account in the books of John Ltd. for the year ended 31/3/2012 and 31/3/2013.

OR

Following is the summarised Balance Sheet of Aayushi Ltd. as on 31-3-2013 :— 15

Liabilities

10% Preference shares of ₹ 100 each	₹ 8,00,000
Equity shares of ₹ 10 each	20,00,000
12% Debentures	15,00,000
Bank overdraft	1,00,000
Bills payable	70,000
Creditors	2,80,000
	<hr/> 47,50,000

Assets

Patents	30,000
Goodwill	50,000
Furniture	70,000
Land and Building	13,00,000
Plant and Machinery	12,00,000
Closing Stock	1,60,000
Bills receivable	30,000
Debtors	1,80,000
Profit and Loss Account (Debit balance)	16,40,000
Preliminary Expenses	90,000
	<hr/> 47,50,000

Note : Preference dividend is in arrears for four years.

The following scheme of Capital Reduction was sanctioned by the court and agreed by the shareholders :—

- The preference shares are to be reduced to ₹ 50 each and equity shares to ₹ 2 each both being fully paid.
- Of the preference dividend in arrears, three-fourth to be waived and remaining to be paid immediately.
- The debenture holders to take over plant and machinery at ₹ 13,00,000 in part satisfaction of their claim. The remaining claim should be converted into 15% debentures.
- Bills payable to be settled immediately. Creditors forego their claim of ₹ 40,000.
- The Assets are to be revalued as under :—

Furniture	₹ 50,000
Stock	₹ 1,36,000
Land and Building	₹ 11,60,000
Debtors	₹ 1,60,000
- A secured loan of ₹ 3,00,000 at 12% interest p.a. to be obtained by mortgaging Land and Building for repayment of Bank overdraft and payment of bills payable and reconstruction expenses of ₹ 30,000.
- Write off goodwill, patents, P and L A/c. (Dr. Balance) and preliminary expenses entirely.

Pass necessary Journal entries in the books of Aayushi Ltd. and also prepare Capital Reduction Account.

2. Ameya Ltd. was incorporated on 1st August, 2012 to take over a running partnership business with effect from 1st April 2012. Following are the details of Income and Expenses for the year ended 31st March 2013 :—

Particulars	₹	₹
Gross Profit		19,20,000
Less : Expenses		
Directors fees	98,000	
Rent	1,71,000	
Bad debts	24,000	
Salaries	3,66,000	
Interest on Debentures	48,000	
Depreciation	1,32,000	
Preliminary Expenses written off	84,000	
General Expenses	98,400	
Commission on Sales	72,000	
Printing and Stationery	1,86,000	
Advertisement Expenses	2,41,000	
Audit fees	1,17,200	
Carriage outward	1,45,600	
Electricity charges	88,800	
Insurance premium	48,000	19,20,000
Net Profit		<u>NIL</u>

Additional Information :

- Rent is paid on the basis of floor space occupied. Floor space occupied was doubled in the post incorporation period.
- Sales for each month of December, 2012 to March, 2013 were double the monthly sales of April 2012 to November, 2012.
- Audit fees is for the entire year.
- Bad debts ₹ 1,000 were in respect of sales effected two years ago.
- Mr. Amog was a working partner in the firm entitled to a remuneration @ ₹ 24,000 per month. From 1st August 2012, he was made the Managing Director of the company and was entitled to a salary @ ₹ 30,000 per month. The remaining salary is to two clerks employed during the period from 1st July, 2012 to 30th November 2012.

Prepare a statement showing profits for the pre and post incorporation period separately.

OR

12. Mr. Jayant holds 2,400, 6% Debentures of ₹ 100 each in Gemini Ltd. as on 01-04-2012 at a cost of ₹ 2,80,000. Interest is payable on 30th June and 31st December every year. Other details are as follows :—

- On 01-06-2012, 800, 6% Debentures are purchased cum-interest at ₹ 81,600.
- On 01-11-2012, 800, 6% Debentures are purchased ex-interest at ₹ 76,800.
- On 30-11-2012, 1200, 6% Debentures are sold cum-interest for ₹ 1,29,000.
- On 31-12-2012, 1600, 6% Debentures are sold ex-interest for ₹ 1,54,600.

Prepare 6% Debentures account in the books of Mr. Jayant valuing closing balance on 31-03-2013 at cost or market price whichever is lower. The Debentures are quoted at par on 31-03-2013. (Interest on 31/12/2012 to be recorded after giving effect to the sale transaction.)

3. Tom Ltd. agreed to acquire business of Jerry Ltd. as on 31-3-2013. The summarised Balance Sheet of Jerry Ltd. as on 31-3-2013 was as follows :—

Liabilities		₹
12,000, equity shares of ₹ 10/- each fully paid		1,20,000
General Reserve		34,000
Profit and Loss Account		22,000
6% Debentures		20,000
Creditors		4,000
		<hr/> 2,00,000
Assets		₹
Goodwill		20,000
Building		60,000
Machinery		68,000
Closing Stock		33,600
Debtors		7,200
I.C.I.C.I. Bank Account		11,200
		<hr/> 2,00,000

The consideration payable was as follows :—

- Cash payment equal to ₹ 2.50 per share in Jerry Ltd.
- Issue of 18,000 Equity shares of ₹ 10 each of Tom Ltd. having an agreed value of ₹ 15 per share.
- Issue of such an amount of fully paid 9% Debentures of Tom Ltd. at ₹ 96 each as is sufficient to discharge 6% Debentures of Jerry Ltd. at 20% premium.
- While calculating the consideration the assets were revalued as follows :
Building and Machinery at ₹ 1,20,000 each, stock at ₹ 28,400 and Debtors subject to 5% provision for Discount.
- Liquidation expenses agreed to be paid by Jerry Ltd. was ₹ 1,000.

Prepare :

- Statement of Purchase consideration.
- Necessary ledger accounts to close the books of Jerry Ltd.
- Opening Journal entries in the books of Tom Ltd.

OR

3. (a) From the following information, ascertain the profits for the pre incorporation and post incorporation period separately.

- Net profit before making adjustments given below :—

Pre incorporation profit	₹ 76,000
Post incorporation profit	₹ 1,07,000

- Sales ratio — 4 : 5

- Time ratio — 1 : 1

Transactions to be recorded :—

- Debenture interest paid ₹ 20,000.
- Discount allowed to customers ₹ 4,500.
- Depreciation is ₹ 50,000, out of which depreciation of ₹ 10,000 is on assets purchased during the post incorporation period.
- Share transfer fees received ₹ 5,000.

- (b) Purab Ltd. exported goods to Pashchim Ltd. as on 1st March, 2013 for \$ 1,00,000 when the exchange rate was 1 US \$ = ₹ 62. The amount was received in three instalments as under :—

Date	Instalment (US \$)	Rate of exchange
5th March, 2013	40,000	₹ 61
18th March 2013	35,000	₹ 63
30th March 2013	25,000	₹ 60

Pass the Journal Entries for the above transactions in the books of Purab Ltd. for the year ended, 31st March, 2013.

4. (a) Select the correct alternative and rewrite the sentence :—

- (1) While closing the books of vendor company on amalgamation, profit and loss (Cr.) balance of vendor company is transferred to _____.
 - Debit side of realisation account
 - Credit side of realisation account
 - Debit side of equity shareholders' account
 - Credit side of equity shareholders' account
- (2) For computing pre and post incorporation profits, carriage outward is allocated _____.
 - only to post period
 - only to pre period
 - in sales ratio
 - in time ratio
- (3) The short term investments are valued on closing date at _____ as per AS-13.
 - Cost of purchase
 - Market value
 - Lower of cost or market value
 - Higher of cost or market value
- (4) At the time of internal reconstruction of companies, the payment of contingent liability is _____.
 - Debited to Cash and Bank Account
 - Debited to Capital Reduction Account
 - Credited to Capital Reduction Account
 - Ignored.
- (5) Foreign exchange transactions are governed by AS —

• 11	• 13
• 12	• 14
- (6) For computing pre and post incorporation profits, discount on issue of debentures (written off) is _____.
 - allocated in time ratio
 - allocated in sales ratio
 - treated as pre incorporation expense
 - treated as post incorporation expense.
- (7) Investment accounting transactions are governed by AS _____.

• 11	• 13
• 12	• 14

(b) State with reasons whether following statements are true or false :—

- (1) No new company is formed in case of Absorption of companies.
- (2) Insurance premium is allocated in sales ratio while calculating pre and post incorporation profits.
- (3) Interest on security is calculated on the cost of the security.
- (4) In internal reconstruction, amount foregone by creditors is credited to capital reduction account.

OR

[TURN OVER

4. Write short notes on any three :—

- Distinguish between internal and external reconstruction.
- Basis of allocation of expenses for calculating pre and post incorporation.
- Methods of determining purchase consideration.
- Investments purchased at cum and ex interest price.

(मराठी रूपांतर)

(२ तास)

[एकूण गुण : ६०]

- सूचना : (१) सर्व प्रश्न सोडविणे आवश्यक आहे.
 (२) उजवीकडील आकडे गुण दर्शवितात.
 (३) तुम्ही केलेली टाचणे उत्तराचा भाग असेल.
 (४) इंग्रजी भाषेतील मूळ प्रश्न प्रमाण मानावेत.

१. जॉन लि. यांनी १ जानेवारी, २०१२ रोजी साईनरजी लि. यु.एस.ए. कडून ८५,००० डॉलरचा माल आयात केला आहे. खालीलप्रमाणे रकम देण्यात आल्या आहेत.

दिनांक	रकम (डॉलरमध्ये)	विनियम दर (डॉलर) ₹
१०/०१/२०१२	१६,०००	६१
१५/०२/२०१२	१८,०००	६२
१५/०३/२०१२	२९,०००	६३
१५/०४/२०१२	२२,०००	५९

दि. १/१/२०१२ रोजी विनियम दर प्रति डॉलर ₹ ६० होता. जॉन लिमिटेडची पुस्तके दरवर्षी ३१ मार्च ला बंद होतात. ३१ मार्च २०१२ विदेशी विनियम दर प्रति डॉलर ₹ ६३ होता.

जॉन लिमिटेडच्या पुस्तकात सर्व व्यवहारांच्या नोंदी रोजकीर्दमध्ये करा व साईनरजी लि. यु.एस.ए. चे खाते व विदेशी विनियम बदल खाते तयार करा. (३१ मार्च २०१२ व ३१ मार्च २०१३ रोजी संपणान्या वर्षाकरीता)

किंवा

१. आयुषी लि. चा सारांश ताळेबंद पुढीलप्रमाणे आहे :-

३१ मार्च २०१३ रोजीचा सारांश ताळेबंद

देणी	₹	₹
प्रत्येकी ₹ १०० चे १०% अग्रहक भाग	८,००,०००	
प्रत्येकी ₹ १० चे समभाग	२०,००,०००	
१२% कर्जरोखे	१५,००,०००	
अधिकोष अधिविर्कष	१,००,०००	
देय विपत्र	७०,०००	
धनको	२,८०,०००	
		४७,५०,०००