

Time: 2 ½ Hours

Marks: 75

A) State whether the following statements are True or False: (Any 8)

08

- 1) Dividend can be paid to lenders of funds.
- 2) R.D.D. is usually estimated as percentage of debtors.
- 3) Trade Receivables are always shown under current Liabilities.
- 4) Shareholders funds are always non-current.
- 5) Capital profit realized in cash can be used for paying dividend.
- 6) The underwriting commission can be more than 10%.
- 7) Unmarked applications are known as direct applications.
- 8) Inventory is a non-monetary item.
- 9) Foreign currency is a currency other than home currency.
- 10) Dividend is always calculated on Market Value of the security.

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

07

| Group A | Group B |
|--|-----------------------------------|
| 1. 10% Debentures | a. Ethics |
| 2. Goodwill | b. Laws |
| 3. Marked Applications | c. Accounting of Foreign Currency |
| 4. Underwriting Commission | d. Reporting Currency |
| 5. Ex- Interest | e. Added to cost |
| 6. Brokerage on Purchase | f. Excluding interest |
| 7. Home Currency | g. Maximum 5% in case of shares |
| 8. AS-11 | h. Bears stamp of underwriters |
| 9. Rules that must be followed by all | i. Intangible Assets |
| 10. Rules expected to be followed by all | j. Long Tem Borrowings |

Q.2 From the following particulars of Urvashi Ltd., prepare Profit and Loss statement for 31-3-2022 as per revised schedule.

15

| Particulars | Amount |
|---------------------------------|----------|
| Opening stock of Finished Goods | 1,50,000 |
| Closing stock of Finished Goods | 30,000 |
| Cost of Materials Consumed | 1,75,000 |
| Sales | 5,00,000 |
| Interest Received | 25,000 |
| Depreciation | 5,000 |
| General Expenses | 10,000 |
| Salaries and Wages | 50,000 |
| Interest on Debentures | 5,000 |
| Provision for Taxation | 50,000 |
| Transfer to General Reserve | 10,000 |

OR

Q.2. Tejpal Ltd exported goods to Happy Ltd from USA worth US \$ 50,000 on 15th February 2021 when exchange rate was ₹ 65 per US \$. 15

The payment was received in installments as under:

| Date | Amount of Installment US \$ | Exchange Rate per US \$ |
|---------|-----------------------------|-------------------------|
| 10/1/21 | 10,000 (Advance) | ₹66 |
| 15/3/21 | 20,000 | ₹67 |
| 10/4/21 | 15,000 | ₹66 |
| 10/5/21 | 5,000 | ₹64 |

Tejpal Ltd closes its books every year on 31st March. On 31st March 2021, the exchange rate was ₹ 68 per US \$.

You are required to pass Journal Entries in the books of Tejpal Ltd. for the year ended 31st March, 2021 and 31st March, 2022. Also prepare Foreign Exchange Fluctuation account in the books of Tejpal Ltd.

Q3. Manish Ltd has authorized capital of 1,00,000 equity shares of ₹ 10 each. Company issued 60,000 shares at a premium of ₹ 2 each. The entire issue was underwritten by Jay, Ajay and Vijay in the ratio of 5:3:2 respectively. 15

Applications were received for 48,000 shares out of which marked applications were as follows:

| | |
|-------|--------------|
| Jay | 24000 Shares |
| Ajay | 8550 Shares |
| Vijay | 12450 Shares |

Underwriters are entitled to get 5% commission on issue price.

You are required to:

- Find out the net liability of underwriters
- Pass Journal Entries in the books of Manish Ltd.

OR

Q3. From the following is the trial balance of Vikas Ltd., prepare the Balance Sheet of the company as on 31st March 2021 as per Schedule III of the Companies Act. 15

Trial Balance as on 31st March 2021

| Debit | ₹ | Credit | ₹ |
|---|-----------|---------------------------|-----------|
| Advances to employees | 3,00,000 | Equity Share Capital | 52,00,000 |
| Cash at Bank | 3,64,320 | Capital Reserve | 60,000 |
| 8% Govt. Bonds | 3,36,000 | Loan from SBI | 8,00,000 |
| Premises | 48,59,940 | Provision for Tax | 7,64,000 |
| Patents | 10,00,000 | Bills Payable | 1,85,120 |
| Discount on issue of shares (unwritten off) | 25,000 | Short term loan from bank | 4,90,200 |
| Trade Receivables | 3,66,240 | Unpaid dividend | 64,800 |
| Stock in trade | 3,55,600 | Profit & Loss A/c | 42,980 |
| | 76,07,100 | | 76,07,100 |

Q.4. During the year ended 31st March 2021 Mr. Virat bought and sold the following 12% Debentures of ₹100 each of Cherry Ltd. Interest being payable on 1st April and 1st October each year. 15

| Date | Particulars |
|---------------------------------|---|
| 1 st June, 2020 | Bought 300 Debentures at ₹92 Ex-interest |
| 1 st September, 2020 | Bought 100 Debentures at ₹94 Cum-Interest |
| 1 st December, 2020 | Sold 200 Debentures at ₹95 Ex-interest |
| 1 st February, 2021 | Bought 150 Debentures at ₹98 Cum-Interest |

Books are closed on 31st March every year. You are required to prepare Investment in 12% Debentures in Cherry Ltd. Account for the year ended 31st March, 2021 in the books of Virat (Apply AS-13).

OR

Q.4 A) Prepare Investments Accounts in the books of Miss Neena for the following transactions: 08

12/04/2021 Purchased 1,00,000 Equity Shares of ₹10 each in ABC Ltd. For ₹ 50,00,000
 15/05/2021 ABC Ltd. Issued bonus shares of 3 Shares for every 2 Shares held.
 30/06/2021 Neena Sold 1,25,000 Bonus shares for ₹20 each.

Q.4 B) XL limited issued 40,000 shares of Rs 10 each. These shares were underwritten as by P and Q in the ratio of 3:2. The public applied for 38,000 shares which included marked applications from the underwriters as follows : P -5,000 shares; Q -3,000 shares. Determine the net liability of the underwriters. 07

Q.5) a) What do you mean by Ethics? Describe its Scope. 07

Q.5) b) Explain the types of Underwriting. 08

OR

Q.5) Write a Short notes (Any Three) 15

- Contingent Liabilities
- Five Fundamental Principles of IFAC
- Ex-Interest and Cum-Interest Price
- Accounting Standard 11
- Corporate Governance
