

F.Y. BIM - SBM - II A.T.K.T EXAM
SBP - 2022

SUBJ - Intro to Accounting - II
26/09/22

Marks : 100

Time : 180 minutes



Note :

☺ Attempt the Questions as follow :

Q. 1 (A)	Marks 08	ATTEMPT BOTH	MARKS 15
Q. 1 (B)	Marks 07		
Q. 2 (A)	Marks 15	ATTEMPT ANY ONE	MARKS 15
Q. 2 (B)	Marks 15		
Q. 3 (A)	Marks 15	ATTEMPT ANY ONE	MARKS 15
Q. 3 (B)	Marks 15		
Q. 4 (A)	Marks 15	ATTEMPT EITHER Q. 4(A) OR Q. 4 (B)(i) & (ii) BOTH	MARKS 15
Q. 4 (B) (i) & (ii)	Marks 15		
Q. 5 (A) & Q. 5 (B)	08 & 07 Marks	ATTEMPT - EITHER BOTH - Q. 5 (A) & 5 (B) OR ONLY Q. 5	MARKS 15
Q. 5	MARKS 15		

☺ All the workings must be part of your answer else your answer may be considered incomplete.

☺ Write legibly and maintain neatness and clarity else the answer may not be assessed or marks may be deducted.

Q. 1 (A) :

Fill in the blanks with the most appropriate words (any Eight)

(Rewrite the whole sentence)

- The interest on investment is to be calculated on _____.
- Issue of bonus shares will only increase the _____.
- The balance in interest column of Investment Account is transferred to _____.
- As per AS 13, Short Term Investments will be carried in the financial statements at _____.
- Exchange Rate on the date of the Balance sheet is known as _____.
- Closing Rate of a Foreign Currency is the _____.
- Preference Shares, which a Company wants to redeem must be _____.
- The Preference Shares which carry a right of accumulation of arrears of Dividend is called _____.
- Part of the uncalled Capital of the Company, which a Company has Resolved to call only in the event of Liquidation is called _____.
- Legacies are the _____.

Q. 1 (B) :

State whether the following statements are True or False - any Seven)

(Rewrite the whole sentence)

- Dividend received on shares, for the period before shares were acquired, is called Pre Acquisition Period Dividend.
- Cost of Bonus Shares will be Zero.
- Reporting Currency is the Currency which is used to present the Financial Statements.
- Fixed Assets are carried in Balance sheet at the Exchange Rate on the date of their Acquisition (Historical Cost)

- v) The terms of Redemption of Preference Shares are specified at the time of their issue itself.
- vi) If Debentures are to be Redeemed at a Premium, Premium on Redemption should be provided at the time of Issue of Debentures itself.
- vii) To find the amount to be credited to Income and Expenditure account, Subscriptions outstanding at the beginning of the year will be Subtracted from the Subscriptions received during the year
- viii) Closing Balance of Receipt and Payment account shows Cash Balance at the end of the year
- ix) Dividend recommended by Directors, not yet approved by shareholders, will be shown as a Contingent Liability
- x) Divisible Profits include General Reserves

Q. 2 (A) :

Amay Ltd. has the following position as on March 31, 2022 :

Liabilities	Rs.	Assets	Rs.
30,000 Equity Shares of Rs. 10 each	3,00,000	Sundry Assets	2,00,000
10,000 7% Redeemable Preference Shares of Rs. 10 each, Rs. 7 paid up.	70,000	Bank	3,90,000
Securities Premium	50,000		
General Reserve	60,000		
Profit & Loss Account	60,000		
Current Liabilities	50,000		
	5,90,000		5,90,000

Amay Ltd. decided to redeem 7% Redeemable Preference Shares of Rs. 10 each, at 10% Premium & issued 2000 Equity Shares of Rs. 10 each at PAR and 1000 20% Debentures of Rs. 100 each at PAR.

All the calls outstanding were duly received by Amay Ltd.

Pass Necessary Journal entries to record the above and prepare Balance sheet after the Redemption.

Q. 2 (B) :

On April 1, 2020, Samay Ltd. issued 1500 10% Redeemable Debentures of Rs. 100 each, at Par, Redeemable at 10% premium, after 10 years. The Company decided to create a sinking fund by setting aside Rs. 15,000 every year and investing the same in 10% Govt. Securities.

Interest on Debenture, will be paid on Sept. 30 & March 31 every year.

Ramoji Ltd. closes its books of accounts on March 31 every year.

Show all Journal entries in the books of Samay Ltd., for the years 2020-21 and 2021-22 and Balance sheet extracts as on 31.03.2021 and on 31.03.2022.

Q. 3 (A) :

On 1st April, 2021; 4,000 Equity shares of Rs. 10 each of Satyam Ltd. were held as Investment, by Mr. Kapoor, at a



cost of Rs. 48,000.

On 30th April, 2021; Mr. Kapoor purchased 2,000 of such equity shares @ Rs. 12 per share.

On 2nd June, 2021, the Company declared Bonus shares in the Ratio of one share for every two shares held.

On 30th June, 2021; the company made Right issue in the ratio of one share for every two shares held, on payment of Rs. 13 per share. Mr. Kapoor subscribed to 40% of the Rights and sold balance Rights @ Rs. 2 per share.

On 20th September 2021, dividend was received by Mr. Kapoor @ Rs. 2 per share for the year ended 31.03.2021.

On 1st December 2021, 1,000 of such shares were sold by Mr. Kapoor @ Rs. 20 per share.

Prepare 'Equity shares in Satyam Ltd.' in the books of Mr. Kapoor, for the y.e. 31.03.2022.

Q. 3 (B) :

On April 1st, 2021; 500 5% Debentures of Rs. 100 each of Sharda Ltd. were held as Investment by Mrs. Vaani, at a cost of Rs. 50,000.

Sharda Ltd. pays interest on June 30th & December 31st every year.

Following transactions were entered by Mrs. Vaani, during the year ended March 31st, 2022, with regard to these Debentures :

<u>Date</u>	<u>No. of Deb.</u>	<u>Transaction</u>	<u>Rate</u>
April 1st, 2022	100	Sale	Rs. 98 Ex Int.
October 1st, 2022	100	Pur.	Rs. 104 Cum Int.
December 1st, 2022	200	Pur.	Rs. 97 Ex Int.
February 1st, 2022	100	Sale	Rs. 97 Cum Int.

Prepare Investment in 5% Debentures in Sharda Ltd. account for the y.e. March 31, 2022; as would appear in the books of Mrs. Vaani, Apply AS 13.

Market value of these Debentures on 31.3.2022 was Rs. 91.

Q. 4 (A) :

On 1st January 2022, John Ltd. imported goods worth 85,000 Dollars from Synergy Ltd. of U.S.A. The payments were made as under -

<u>Date</u>	<u>Amount</u>	<u>Exchange Rate (\$)</u>
01.01.2022		Rs. 61
10.01.2022	16,000	Rs. 62
15.02.2022	18,000	Rs. 63
15.03.2022	29,000	Rs. 60
15.04.2022	22,000	Rs. 60
31.03.2022		Rs. 64

Books are closed on 31st March every year.

Pass necessary Journal entries and show the extract of the Balance sheet.

Q. 4 (B)(i) :

M/S CCI, a Non Trading Concern, has furnished following details about the Subscriptions from its members, for the year ended 31.03.2022. Show, how these information will be recorded in Income and Expenditure account and in the Balance sheet.

<u>As on ==></u>	<u>31.03.2021</u>	<u>31.03.2022</u>
Subscription outstanding	14,000	11,000
Advance Subscription	2,100	3,500

During the year 1,62,500 were received towards the Subscription, out of which 5,000 related to previous year's outstanding Subscription.

Q. 4 (A)(ii) :

M/S ZY Association, a Non Trading Concern, has furnished following details about the Subscriptions from its members, for the year ended 31.03.2022. Show, how these information will be recorded in Income and Expenditure account and in the Balance sheet.

Receipts		Payments	
<u>Subscription received, pertaining to</u>			
2020-21	15,000		
2021-22	3,50,000		
2022-23	10,000	375000	

There are 1800 members of the Association, paying Rs. 200 as Annual Subscription by each member.

Outstanding Subscription for the year ended 31.03.2021 was Rs. 21,000.

Q. 5 (A) :

What are the various legal provisions, under the Companies Act for Redemption of Preference Shares.

Q. 5 (B) :

Explain the characteristics of a Non-Trading organisations

Q. 5 :

Write Short Notes (any three)

- a) Books Kept by a Non Trading Organisation
- b) Ex Interest and Cum Interest Transactions in Investments
- c) Sources of Redemption of Preference Shares
- d) Foreign Currency Transactions
- e) Revenue Items in the Financial Statements of a Non Trading Organisation

