



- N.B 1. All Questions are compulsory. Questions 2to4 have an internal choice
 2. Figures the right indicates full marks
 3. Use of simple calculators is allowed
 4. Working notes should form part of your answer.

Q.1.A Match The Column (any 8)

8 marks

Sr. No	Colum A	Sr.No	Column B
1	Accounting For Investment	A	Earning Capacity Method
2	Intrinsic Value	B	Revenue from operations
3	Goodwill	C	To advance a loan against the security of shares
4	Wages	D	Quoted Price included
5	Ex Interest	E	Cost Raw material consumed
6	Sales	F	Quoted price not included
7	purpose for the valuation of shares	G	Net Asset Method
8	Purchases	H	Intangible asset
9	Yield Value	I	AS 13
10	Cum Interest	J	Employees Benefit Expenses

Q1. B State whether Following Statement is True or False.(Any 7)

7 marks

- Gross Block less depreciation = Net Block.
- Fair Value= Intrinsic Value * Yield Value/2.
- The formula for calculating goodwill under the simple average profit method is Goodwill = Super profit * Annuity factor
- Right shares are the shares that are issued by a company for its existing shareholders.
- Bills receivable and debtors is the part of trade payables.
- Goodwill is paid for obtaining future profit.
- Bonus shares are issued to the shareholders with additional cost
- Risk free investment is one of the advantages for Issue of Bonds.
- Payment to Auditor should be shown under Employee Benefit Expenses
- Every Profit and Loss account of a company must comply with the requirements of Part I of Schedule III of the Company Act, 2013 as far as possible.



Q2) On 1st April, 2022, Mr. Bablu held 1,500, 8% Central Government Bonds of Rs. 100 each at a cost of Rs.1,45,000 Interest is payable on 30th June and 31st December every year. He entered into following transactions in respect of 8% Central Government Bonds during the year ending on 31st March 2023.

Purchases:

- On 1st May 2022. Face Value of Rs.10,000 at Rs.102 cum-interest.
- On 1st September 2022, Face Value of Rs. 30,000 at Rs.105 ex-interest.

Sales:

- On 1st August 2022, Face Value of Rs.15,000 at Rs.104 cum-interest.
- On 1st February 2023, Face Value of Rs.15,000 at Rs.102 ex-interest. Prepare Investment Account . 15 marks

OR

Q2) On 1-4-2022 Aditya had 50,000 equity shares in T Ltd. The face values of the shares were Rs.10 each but their book value was Rs.24 per share.

- On 1-6-2022 Aditya purchased 10000 equity shares in T Ltd. at a premium of Rs.6 per share.
 - On 1-7-2022 the directors of T Ltd. issued bonus shares at the rate of one share for every three shares held.
 - On 1-01-2023 Aditya purchase 5000 right shares in T Ltd. of Rs.10 each at Rs.15 per share.
 - On 31-01-2023 he sold 20000 equity shares in T Ltd. of Rs.10 each at Rs.30 per share.
- Show investment Account as it would appear in Aditya's books for the year ended 31-03-2023. 15 marks

Q3) Following is the Trial Balance of Smart Ltd as on 31st March 2022

Particulars	Debit (Rs)	Particulars	Credit (Rs)
Stock	5,00,000	Share Capital : Equity Shares of Rs 100 each	20,00,000
Fixed Asset	12,35,000	General Reserve	70,000
Sundry Debtors	4,00,000	Loan From IFCI	3,00,000
Staff Advance	85,400	Provision For Taxation	11,000
Cash In Hand	60,000	Net Profit for the year	2,70,000
Bank Balance	4,94,000	Profit & Loss (Opening Balance)	1,00,000
Preliminary Expenses	26,600	Unsecured Loan	50,000
Advance Tax	12,000	Sundry Creditors	1,40,000
Bills Receivable	58,000	Unclaimed Dividend	5,000
Investment	75,000		
	29,46,000		29,46,000

Additional Information :

- Transfer to General Reserve Rs 85,000
- Directors Recommended 6% dividend
- Out of Debtors , due for more than 6 months were Rs 2,50,000
- Sundry Creditors includes creditors for expenses 40,000
- Loan from IFCI is secured against stock
- Market Value of Investment is Rs 95,000 and Face Value is Rs 60,000

Prepare Balance Sheet of Smart Ltd as on 31st March 2022 as per provision of Companies Act. 15 marks



OR

Q3) Following is extract of the Trial Balance of Falguni Ltd as on 31st March 2022

Particulars	Rs	Rs
Sales		1,20,00,000
Opening Stock of Raw Material		12,00,000
Opening Stock of Finished Stock		7,50,000
Purchases of Raw Material		21,50,000
Purchase Returns		75,000
Sales Return		10,00,000
Dividend Received from Reliance Ltd		2,50,000
Royalty Received		75,000
Interest Received		4,00,000
Import Duty on Raw Material		45,000
Salaries & Wages		2,50,000
Provident Fund for Employees		50,000
Bonus to Employees		75,000
Directors Remuneration		2,00,000
Depreciation on :		
Plant & Machinery	2,50,000	
Furniture	1,00,000	
Delivery Van	75,000	4,25,000
Interest on Debentures		4,00,000
Interest on Bank loan		1,50,000
Bad Debts		75,000
Repairs & Maintenance		20,000
Insurance Premium		50,000
Electricity Charges		75,000
Rent, Rates and Taxes		20,000
Audit Fees		35,000
Advertisement Expenses		75,000
Other Expenses		5,000

Additional Information :

- 1) Closing Stock of Raw Material and Finished Goods was Rs 8,00,000 and 9,50,000
- 2) Outstanding Salaries & Wages were Rs 50,000
- 3) Interest Receivable was Rs 35,000
- 4) Rs 25,000 to be provided for Bad & Doubtful debts
- 5) Prepaid Advertisement Expenses Rs 20,000
- 6) Make provision for tax @ 20% of Profit Before Tax

Prepare Statement of Profit & Loss Account for the year ended 31st March 2022 as per the provision of the Companies Act .

15 marks



Q4 The Balance Sheet of XYZ Ltd as on 31/3/2022 :

15 marks

Liabilities	Rs	Asset	Rs
10% Preference Shares of Rs 100 each fully paid up	3,00,000	Goodwill	40,000
Equity Shares of Rs 100 each fully paid up	4,00,000	Fixed Asset	5,00,000
Reserves	1,20,000	Current Asset	5,60,000
Profit & Loss A/c	30,000		
Debentures	1,00,000		
Creditors	1,50,000		
	11,00,000		11,00,000

The fixed assets are considered to be worth 60% more than their book value but the current asset have reduced in value by 12.5%. Goodwill is to be taken at balance sheet value. The profit of the last three years after providing for taxes were Rs 1,00,000 ; Rs 1,17,500 ; Rs 1,35,000. 20% of profit is transferred to Reserves every year and a fair return on equity shares can be taken at 12.5%. You are required to calculate : 1) Intrinsic Value of Shares 2) Yield Value of Shares 3) Fair Value of Shares

OR

Q4 The following particulars of Wipro Ltd are available :

15 marks

- Equity Share Capital : 2,00,000 Equity Shares of Rs 10 each fully paid up
- Preference Share Capital : 20,000 , 12% Preference Share Capital of Rs 100 each fully paid up
- Reserves & Surplus : Rs 3,00,000
- Current Liabilities : Creditors : Rs 1,20,000 ; Bills Payable Rs 60,000
- Post Tax Profits earned each year by the company Rs 5,70,000
- Appropriations from Profit 10% (Transfer to Reserve) , Asset of company included fictitious item of Rs 8,000 . The normal rate of return in respect of the Equity Share of this type of company is ascertained at 10% . Compute the value of the company's share by :
 - Asset Backing Method
 - Yield Method

Q5 A) Explain the term Debentures and types of debentures ?

8 marks

Q5 B) Explain Bonus Shares and Right Shares

7 marks

OR

Q5 Write Short Notes On : (Any 3 / 5)

15 marks

- Recent Trends in Corporate Accounting
- Cum Interest v/s Ex Interest
- Contingent Liabilities
- Intrinsic Method of Valuation of Shares
- Equity Shares.
