

SYBAF sem IV Reg. Exam April-2023

S.Y.B.A.F SEM-IV FINANCIAL ACCOUNTING IV

Time: 2 ½ Hours

19/4/23

Total marks: 75

- N.B:
- 1) All questions are compulsory with internal choice
 - 2) Figures at right indicates full marks for question.
 - 3) Use of simple calculator is permitted.
 - 4) Working notes should form part of your answer.



Q.1. (a) State whether the following statements are true or false (any seven)

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- 1) Immovable property can be included as investment.
- 2) Goodwill is not depreciated.
- 3) Premium on redemption of preference shares is adjusted out of profits.
- 4) The debentures can be redeemed at discount.
- 5) The wages should be allocated in time ratio.
- 6) Premium on redemption of debentures is adjusted from accumulated profits.
- 7) AS 11 classifies foreign operations into two types.
- 8) Contingent liability translated in opening rate.
- 9) Closing inventory should be translated at average rate.
- 10) Dividend can be paid out of capital.

Q.1. (b) Match the Column (any seven)

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Column (A)	Column (B)
a) Unsecured Loan	i) Capital Profit
b) Pre-incorporation profit	ii) Time Ratio
c) Fresh Issue	iii) Charged to P&L Account
d) Debenture Redemption Reserve	iv) Only shares
e) Income Tax	v) Public Deposit
f) Assets	vi) Rate on Date of purchase
g) Exchange Difference	vii) Compulsory under companies Act for unlisted company
h) Depreciation	viii) Sales Ratio
i) Calls in arrears not received	ix) No Allocation
j) Gross Profit	x) Forfeited shares

Q.2. 1000, 9% redeemable debentures of ₹100 each of X Ltd; are due for redemption at 5% premium on 31st December, 2020. On the same date the balance on Debenture Redemption Reserve was ₹50,000. On 1st December, 2020; x Ltd., issued 500 equity shares of ₹100 each at 20% premium and 450, 8% Redeemable preference shares of ₹ 100 each at par. The issue has been fully subscribed and with this amount 1,000, 9% redeemable debentures of ₹ 100 are redeemed.

OR

Q.2 X Ltd. Company issued ₹ 2,00,000 redeemable preference shares at par on 1st January, 2014, redeemable at the option of the company on or after 31st December, 2018 in whole or in part.

The company made the following redemption out of profit.

30 th June, 2019	₹ 80,000
30 th June, 2020	₹ 60,000

The company issued equity shares of the face value of ₹ 40,000 at a premium of 10% on 31st December, 2020. The Company redeemed the remaining preference shares on 31st December, 2020.

Journalise the transactions.

Q.3.

A Company was incorporated on 1st May, 2018 to take over a business from the preceding 1st January. The accounts were made upto 31st December, 2018 as usual and the Trading and Profit and Loss A/c gave the following result:

Particulars	₹	Particulars	₹
To Opening stock	1,40,000	By Sales	12,00,000
To Purchases	9,10,000	By Closing Stock	1,50,000
To Gross Profit c/d	3,00,000		
	13,50,000		13,50,000
To Rent, Rates and Insurance	18,000	By gross Profit b/d	3,00,000
To Director's fees	20,000		
To Salaries	51,000		
To Office expenses	48,000		
To Traveller's Commission	12,000		
To Discounts	15,000		
To Bad debts	3,000		
To Audit Fees	8,500		
To Depreciation	6,000		
To Debenture Interest	4,500		
To Net Profit	1,14,000		
	3,00,000		3,00,000

It is ascertained that the sales for November and December are one and half times the average of those for the year, whilst those for February and April are only half the average. Apportion the year's profit between the pre-incorporation and the post-incorporation period.



OR

Q.3. Shiva and Bishnu working in partnership registered a Joint Stock Company under the name of "Om Bishnu". On 1st September, 2018 to take over their existing business with effect from 1st April, 2018.

Profit & Loss Account for the year ended on 31.03.2019

Particulars	₹	Particulars	₹
To Salaries & Wages	10,000	By Gross Profit b/d	84,000
To Debenture Interest	5,000		
To Depreciation	2,000		
To Interest on Purchase consideration (upto 30.09.2018)	10,800		
To Selling Commission	12,000		
To Director's Fees	800		
To Preliminary expense Written off	1,000		
To Provision for Taxes	5,000		
To Dividend on equity Shares @ 5%	6,000		
To Balance Carried Down	31,400		
	84,000		84,000

Sales for the year totaled 2,25,000, out of which 1,50,000 related to the period from 1st September, 2018 to 31st March, 2019.

Prepare a statement apportioning the profits between post and pre-incorporation period indicating your basis of allocation

Q.4. HTC Ltd. Has a branch in Texas, U.S.A. At the end of the year on 31st March 2013, the following ledger balances have been extracted from the books of Texas Branch:

Trial Balance

Particulars	Dr. \$	Cr. \$
Plant & Machinery	20,000	-
Debtors / Creditors	6,000	3,000
Stock (1/4/12)	2,000	-
Cash Balance	500	-
Bank Balance	500	-
Purchases / Sales	2,000	12,300
HO A/c	-	13,700
Good sent to Branch	1,000	-
Wages & Salaries	4,000	-
Rent	1,200	-
Office expenses	1,800	-
Discount Receipts	-	3,000
Commission Receipts	-	7,000
Total	39,000	39,000

Adjustments:

- Goods sent by HO ₹ 20,000.
- Branch A/c in HO ₹ 2,35,000.
- Closing stock as on 31.3.2010 was \$ 325.
- Exchange Rates

Opening Rate	A\$ = ₹ 20
Closing Rate	A\$ = ₹ 24
Average Rate	A\$ = ₹ 22
Fixed Assets	A\$ = ₹ 18

v) Depreciate plant by 10%

OR

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Q.4. a) From the following information extracted from the books of Sarkar Ltd. Prepare balance sheet of the company as at 31st March, 2019 as per Schedule III of the Companies Act, 2013.

Particulars	₹ in Lakhs
Long term borrowings	1,000
Share Capital	780
Fixed Assets (Tangible)	1,200
Trade Receivables	160
Share Application Money Pending Allotment	20
Trade Payables	40
Reserve & Surplus	200
Inventories	40
Cash & Cash equivalent	240
Non- Current Investment	400

The Director's declared dividend of ₹ 20 lakhs after the Balance sheet date.

Q.4. b) Show the presentation of the following items under appropriate notes to accounts forming part of the Balance Sheet of Mehul Ltd. As on 31st March, 2019.

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Particulars	₹ in Lakhs
General Reserve (Opening Balance)	50,00,000
Debenture Redemption Reserve (Opening Balance)	10,00,000
Profit & Loss A/c(Opening Balance)	30,00,000
Net Profit for the year (before transfer & Appropriations)	40,00,000
Transfer to General Reserve	10,00,000
Transfer to Debenture Redemption Reserve	5,00,000
Interim dividend paid	1,00,000

Dividend declared after Balance Sheet date ₹ 4,00,000.

Q.5. a) Explain the concept Divisible Profit

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b) Distinguish Between Integral and Non-integral Foreign Operations.

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OR

Q.5. Write a short note (any three)

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1. Debenture Redemption Reserve
2. Redemption Out of Capital
3. Profit Prior to Incorporation
4. Method of writing off Discounts
5. Intangible Fixed Assets