

FYBFM sem II Regular & A.T.K.T Exam April - 2018  
Financial Accounting. 13/4/18

Q.P. Code : 32484

[Time: 2:30 Hours]

[ Marks: 75]

Please check whether you have got the right question paper.

- N.B: 1. Solve all questions. Each question has internal options.  
2. Workings should form part of your answer.



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Q.1 A) TRUE OR FALSE ( ANY EIGHT)

1. A partnership firm cannot issue shares.
2. Shareholders have unlimited liability.
3. Bonus issue is made out of free reserve.
4. Net Block is Gross block less accumulated depreciation.
5. Authorised capital is disclosed only for information.
6. Super profit is a difference between FMP and normal profit.
7. The partly paid share can be bought back.
8. Own debentures cannot be held as investment.
9. AS - 11 is applicable for accounting for investment.
10. Business entity concept is not applicable to sole trading organisation.

B) MATCH THE COLUMNS (ANY SEVEN)

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Group A	Group B
1. Authorised Capital	A. Long term investment
2. Investment for over 12 months	B. Secured Loan
3. Creditors	C. An intangible assets
4. F.D. With Bank	D. Capital Reserve
5. Trade Mark	E. Memorandum of Association
6. Profit On cancellation	F. Current liabilities
7. Bonus Shares	G. Bank Balance
8. Debentures	H. Free Shares
9. Cost	I. Electronic Device
10. Computer	J. Expenses of the business

Q.2 Paras plastic Ltd. issued 20,000 shares of Rs.100 each at a premium of Rs.10 per share.

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The share amount was payable as follows:

On Application: Rs.20. On allotment: Rs.40( Including Premium)

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On first call: Rs.25. On final call: Rs.25.

Application were received for 15, 000 shares and all these application were allotted shares.

The directors made all the calls on shares. The first call money was not received on 1,000 shares

And the second call money on 500 shares. The directors forfeited the shares on which the first call was not paid. Of the forfeited shares 500 shares were re-issued as fully paid at Rs.70.

Give journal Entries.

OR

**Q.2** Ajanta limited issued 8,000 6% debentures of Rs.100 each at a discount of 10% payable as Rs.10 On application, Rs.30 on allotment, Rs.40 on first call and balance on final call. All the amounts were duly received. **15**

Pass necessary Journal Entries in the books of the company.

**Q.3 A)** Mr. Kaushik. furnishes the following details relating to his holding in 6% Government Bond : **08**

Opening Balance Face value Rs.1,00,000. Cost Rs.95,000.

2015

March 1 100 units purchased ex- interest at Rs.98.

July 1 Sold 200 ex- interest out of the original holding at Rs.100.

Oct 1 Purchased 50 units at Rs.98 ex- interest.

Interest dates are 30<sup>th</sup> September and 31<sup>st</sup> March. Mr. Kaushik closes his books every 31<sup>st</sup> December. Show the investment account for the year December 2015.

**B)** Sun and Moon Ltd. Has Rs.11, 20,000 in equity share capital consisting of 80,000 Shares of Rs.10 each fully paid and 40,000 shares of Rs.10 each, of which Rs.8 paid per share. **07**

It has Rs.40,000 in capital reserve , Rs.40,000 in securities premium account, Rs.1,40,000 in Capital Redemption Reserve Account and Rs.3,00,000 in general reserve.

By way of bonus dividend the partly paid up shares are converted into fully paid up shares and the holders of fully paid up shares are also allotted fully paid up bonus shares in the ratio of 4:1.

Pass journal entries showing separately the two types of bonus issues as mentioned above with the Minimum reduction in free reserve.

**Q.3** Raviraj printers Ltd. Had an authorised capital of Rs.1, 00, 00,000 divided into 10, 00,000 equity shares of Rs.10 each. Trial balance of the company as on 31<sup>st</sup> March 2015 was as follow: **15**



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Trial Balance as on 31.03.2015

DEBIT	Rs.	CREDIT	Rs.
Premises	22,50,000	Equity share capital	47,50,000
Plant and Machinery	17,45,860	Profit and Loss A/C	1,01,200
Sundry Debtors	6,08,900	Gross Profit	10,58,000
Furniture	67,500	Reserve for Bad Debts	45,000
Bad Debts	14,250	General Reserve	3,25,000
Rent, Rates & Taxes	1,41,970	Sundry creditors	2,55,150
Advertising	97,540	Transfer fees	740
Cash in hand	47,200	Accrued wages	64,150
Cash at Bank	2,05,000	Staff Benevolent Fund	89,500
Stock ( 31.03.2015)	7,23,200		
Directors fees	18,000		
Sundry Expenses	39,980		
Salaries	1,59,140		
Motor Lorries	4,00,000		
Disc. On Issue of Shares	75,200		
Interim Dividend	95,000		
	66,88,740		66,88,740

Prepare statement of Profit & Loss for the year ending 31<sup>st</sup> March 2015 and Balance sheet in the prescribed form as on that date after considering the following:

1. Depreciation on Plant and Machinery at 10% and Furniture at 5%.
2. Create R.D.D at 10% on sundry Debtors.
3. Transfer Rs.75, 000 to General Reserve.
4. Make provision for taxation to the extent of Rs.1, 00,000.
5. Interest accrued Rs.20, 000 on Bank Deposit.
6. Write off 20% Discount on issue of shares.
7. Rent & Taxes paid in advance amounted to Rs.16, 970.

Q.4 A) The following is the balance sheet of Udit Ltd as on 31/12/15

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Liabilities	Rs.	Assets	Rs.
Share Capital:		Land and Building	42,000
7,500 shares of Rs.10 each	75,000	Plant & Machinery	48,000
General Reserve	15,000	Trade Marks	7,500
Taxation Reserve	22,500	Stock	18,000
Workmen's savings account	11,250	Debtors	33,000
Profit and loss Account	12,000	Cash at Bank	19,500
Sundry Creditors	36,750	Preliminary Expenses	4,500
	1,72,500		1,72,500



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The plant and machinery is worth Rs.45,000 and land and Buildings have been valued at Rs.90,000.

Profits of the company have been as follow:

2013 Rs.30, 000

2014 Rs.33, 750

2015 Rs.33, 750

It is the company's practice to transfer 25% of the profit to General Reserve. Find out the value of the shares on the yield basis, Intrinsic value method and Fair value. Similar companies give a return of 10% on the market value of their shares.

OR

Q.4 B) Followings is the balance sheet of KJ Ltd. as on 31<sup>st</sup> March 2016.

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Liabilities	Rs	Assets	Rs.
Equity Shares of Rs. 10 Each	4,00,000	Net Block Fixed Assets	7,50,000
Preference Shares of Rs. 100 each	1,00,000	Trade Investment	50,000
Security Premium	1,27,500	Bank	10,00,000
General Reserve	1,00,000		
Profit & Loss Account	1,22,500		
Debentures	8,00,000		
Trade Payables	1,50,000		
	18,00,000		18,00,000

Keeping in view the legal requirements, ascertain the maximum number of Equity shares that KJ Ltd .can buy back @ Rs.25 per share.

Pass Journal entries and prepare Balance sheet after buy back.

Q.5 A) What is the need of Accounting Standards?

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B) What are the advantages of computers?

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OR

Q.5 Short notes (Any three)

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- 1) Own Debentures
- 2) Methods of Goodwill Valuation
- 3) Restriction of Buy back of shares
- 4) Right shares
- 5) Share Capital

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