

FYBIM SEM II Reg & A.T.K.T. Exam March - 2020  
06/3/20

FYBIM

Subject : Introduction to Accounting-II

SEM-II

AY: 2019-20

[Time: 2 ½ Hours]

[Marks: 75]

Please check whether you have got the right question paper.

- N.B:** 1. Question No.1 is compulsory.  
2. Q.2 to Q.5 having internal options.  
3. Figure to right indicates full marks.  
4. State your assumptions clearly.



**Q.1(A) Choose the correct alternatives from the options given below (any 8) (8)**

- Capital Redemption Reserve is to be created to the extent redemption is out of \_\_\_\_\_.  
a) bank account  
b) capital profits  
c) new issue of shares  
d) divisible profits
- The shares offered free of cost are called \_\_\_\_\_ shares.  
a) right  
b) preference  
c) bonus  
d) debentures
- Debit side of Receipt and Payment Account shows \_\_\_\_\_.  
a) Payments  
b) Receipts  
c) Transactions  
d) Expenses
- The excess of income over expenditure is termed as \_\_\_\_\_.  
a) defucit  
b) surplus  
c) loss  
d) profit
- The sweat equity shares are allotted to the \_\_\_\_\_.  
a) employees  
b) existing shareholders  
c) vendors  
d) borrowers
- Debentures issued by a company is a \_\_\_\_\_.  
a) asset  
b) investment  
c) gift  
d) loan
- Premium collected on issue of debentures is transferred to \_\_\_\_\_ account.  
a) capital  
b) security premium  
c) reserve  
d) debenture
- \_\_\_\_\_ is acknowledgement of debt under the common seal of company.  
a) Shares  
b) Debentures  
c) Cheque  
d) Cash
- IPO means \_\_\_\_\_.  
a) insider public offer  
b) inside police officer  
c) FPO  
d) initial public offer
- Investment intended to be held for less than 12 months is called \_\_\_\_\_ investments.  
a) current  
b) long term  
c) trade  
d) annual

Q.1 B) State whether the following statements are true or false. (7)

1. The company cannot redeem partly paid preference shares.
2. Debentures and bonds are synonyms.
3. Debentureholders are not members of the company.
4. As per provision of Sec.55(3), to redeem preference shares we can reissue preference shares.
5. Debentureholders have right to vote.
6. The currency transactions is governed by AS 33.
7. Called up capital can never be more than the subscribed capital.
8. Expenditure can be capital or revenue in nature.
9. Interest on call in advance is @ 6%.
10. Debentures and bonds are synonyms.

Q.2(A) Galaxy Ltd. issued 20,000 shares of Rs.10 each. The amount payable (15)

Rs.2	On application
Rs.3	On allotment
Rs.2	On first call
Balance	On final call

The application were received for 20,000 shares. Journalise the above transactions.

OR

Q.2(B) The undernoted balances were extracted from the ledger of Gamma Ltd (15)

Srl.No.	Particulars	Rs.
1	<u>8% Redeemable Cumulative Preference Capital:</u>	
	10,000 Shares of Rs.100 each, fully called up	10,00,000
	<u>Less:</u> Calls unpaid at Rs.25 per share	5,000
	Amount paid up	9,95,000
2	Security Premium Account	1,40,000
3	Development Rebate Reserve	5,00,000
4	General Reserve	3,40,000
5	Proposed Dividend since sanctioned on Cumulative Preference Shares	78,400

The directors redeemed the preference shares at a premium of 10% and for that purpose made a fresh issue of equity shares of 10 each at par for such amount as was necessary for the purpose after utilising the available sources to the maximum extent and satisfying the amount of preference dividend. Rs.2,00,000 of the Development Rebate Reserve is free for distribution as dividend.

Give journal recording the above transactions. Company plans to forfeit the shares in future on which calls are unpaid.

(Workings should form part of your answer)

Q.3(A) Mr. Digvijay holds as on 1<sup>st</sup> April 2018 Rs.1,50,000 8% Govt. Securities as investment. Interest is payable half yearly on 30<sup>th</sup> June and 31<sup>st</sup> December every year.

(15)

The following transaction took place during the year.





Purchases:

- 1) On 1-5-2018 face value of Rs.30,000 @98 Cum-interest
- 2) On 1-11-2018 face value of Rs.45,000 @102 Ex-interest

Sales:

- 1) On 1-2-2018 face value of Rs.36,000 @97 Cum-interest
- 2) On 1-2-2019 face value of Rs.24,000 @102 Ex-interest

Prepare Investment Account closing 31<sup>st</sup> March 2019 in the books of Mr. Digvijay.

OR

- Q.3(B)** Jairam Ltd. imported goods from wildfox Ltd. Of USA worth US \$ 1,50,000 on 1<sup>st</sup> December 2018, when the exchange rate was Rs.60 per US \$. The amount to be paid in instalments is as follows: (15)

Date	Amount of Installment US \$	Exchange Rate per US \$ (Rs.)
31.12.2018	20,000	60
15.01.2019	40,000	62
10.02.2019	60,000	59
30.04.2019	30,000	65

Jairam Ltd. Closes the books on 31<sup>st</sup> March every year . On 31<sup>st</sup> March 2019 the exchange rate was RS.63 per US \$ .

You are required to pass Journal Entry for the year ended 31<sup>st</sup> March 2019 and 31<sup>st</sup> March 2020 in the books of Jairam Ltd.

- Q.4(A)** From the following Receipt and Payment Account and additional information of for the year ended December 2018, Prepare Income and Expenditure Account for the year and a balance Sheet on that date. (15)

Receipt	Rs.	Payment	Rs.
To Balance b/d	12,000	By Medicines	20,000
To Subscriptions for:		By Honorarium to Doctors	1,50,000
2017	15,000	By Ambulance Maintenance	88,000
2018	1,90,000	By Hospital Equipment Purchased	60,000
2019	30,000	By Furniture Purchased	50,000
To Donations	1,10,000	By Fixed Deposits	2,00,000
To Life Membership Fees	50,000	By Balance c/d	1,39,000
To Hospital receipts(revenue)	3,00,000		
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	7,07,000		7,07,000

Additional Information:

1. Outstanding subscription for 2012-2013 is Rs.10,000



2. Hospital equipment and furniture were purchased in 01.10.2012 and both the assets were to be depreciated @20 percent p.a.
3. Life membership fees are to be capitalized
4. Donations represent donation for building fund
5. Staff salary for current year is outstanding Rs.15,000
6. On 01.04.2012 the hospital had the following assets and liabilities  
Land Rs. 5,00,000  
Investment Rs. 1,00,000  
Bank Loan Rs. 4,00,000  
Ambulance Rs. 2,05,000
7. Capital fund as on 01.04.2012 was Rs. 4,32,000

**OR**

**Q.4(B)** Journalise the following transaction in the books of Zoya Ltd. For the month of January 2018 (15)

1. Issue of Rs 1,00,000, 10% debenture at par and redeemable at par.
2. Issue of Rs 2,00,000, 10% debenture at premium of 5 % and redeemable at par.
3. Issue of Rs 5,00,000, 10% debenture at par and redeemable at 5% premium.
4. Issue of Rs 4,00,000, 10% debenture at 5% discount and redeemable at 15% premium.
5. Issue of Rs 6,00,000, 10% debenture at 5% discount and redeemable at par.

**Q.5(A)** Define Shares. What are the various kinds of shares? (8)

**Q.5(B)** Explain the features of Receipt and Payment Account. (7)

**OR**

**Q.5(C)** Write Short Notes (Attempt any 3) (15)

1. Foreign Exchange rate
2. Ex- interest and Cum- interest price
3. Debentures
4. Reporting currency
5. Forfeiture of shares.

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