

RAHA323

20/3/23

SYBAF - IV Reg

F.A.

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Total Marks :75

Duration: 2.5 Hours

NOTE :

1. All the questions are compulsory with internal options.
2. Each question carry 15 marks.
3. Working notes form part of your answer.
4. Use of only simple calculator is allowed.

Q1(a) State whether the following statements are True or False(any eight):

(8)

1. Horses are disclosed under PPE.
2. Calls in arrear are deducted from share capital.
3. Loss prior to incorporation is debited to goodwill account.
4. Partly paid Preference shares cannot be redeemed.
5. Goodwill is an intangible asset.
6. Terms of debenture redemption are mentioned at the time of issue.
7. CRR can be used only for the issue of bonus shares.
8. Patents are fictitious assets.
9. Post incorporation Profit is available for dividend.
10. Capital Reserve is Non divisible profit

Q1(b) Match the pair (Attempt any Seven)

(7)

	Column A		Column B
1	Dividend to shareholders	a	Profit & Loss Appropriation A/c
2	Audit Fees	b	Time Ratio
3	Pre-incorporation Profit	c	Capital Reserve
4	Exchange Difference	d	Charged to P & L
5	Non -Monetary Items	e	Historical Cost
6	Insurance Policy	f	Fund Investment
7	Debenture Redemption	g	Not Reduction Of Capital
8	Mango Trees	h	Bearer Plants
9	Proposed Dividend	i	Contingent liability as a note
10	Issue of Bonus Shares	j	Share Capital

Q2A. From the following ledger balances of Regal ltd. as on 31st March, 2017, you are required to prepare the Balance sheet as on 31st March,2017 as per Schedule III of the Companies Act.

15

Particulars	Rs.	Particulars	Rs.
Office Equipment	4,80,600	General Reserve	4,15,000
9% debenture in APCO ltd.	2,45,000	Creditors for Goods	1,68,500
Loose Tools	1,63,000	Creditors for Expenses	36,000
Plant & Machinery	18,00,000	Cash Credit	75,000
Computer Software	83,250	Mortgage Loan	3,10,000
Debtors for Goods	1,90,000	8 % Preference Share Capital	5,50,000
Share issue expenses (unwritten off)	30,000	Equity Share Capital	15,00,000
Stores & Spares	1,00,200	Staff Welfare Fund	85,000
Interest Accrued on Investment	51,000	Provision For Taxation	26,550

Cash at Bank	23,000		
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OR

Q2B. Jai ltd. ask you to prepare statement of Profit & Loss for the year ending on 31-03-2017 and the Balance sheet as on that date in prescribed form. The Trial Balance of the Company as at 31st March, 2017 was as follows.

Debit Balances	Dr. Rs	Cr. Rs
Equity share Capital (Shares of Rs. 10 each)	-	3,00,000
Security Premium	-	40,000
General Reserve	-	56,000
6% Debentures	-	20,000
Land & Building	1,60,000	-
Plant & Machinery	2,72,000	-
Investments (Long Term)	40,000	-
Stock (31-03-2017)	28,000	-
Balance at Bank	9,200	-
Cash in Hand	320	-
Profit & Loss A/c (Cr.)(1-4-2016)	-	10,000
Sundry Creditors	-	24,000
Income Tax Deducted at source	480	-
Administrative Expenses	20,800	-
Rent & Taxes	960	-
Debenture Interest	600	-
Audit Fees	1,200	-
Director Fees	2,400	-
Sundry Expenses	3,480	-
Dividend (Gross)	-	4,480
Gross Profit	-	84,960
	5,39,440	5,39,440

Additional information :

1. Authorised Capital of the Company is Rs. 4,00,000.
 2. Depreciation is to be provided 5% on land and building and 15% on Plant & Machinery.
 3. Provision for Taxation to be made at 50% of net profit.
 4. Transfer Rs. 400 to General reserve
 5. Ignore Previous Year figures.
- All amounts are in thousands.

Q3A. A Ltd. was incorporated on 1st May ,2016 to take over the running business of M/s. Om from 1st January ,2016 .The accounts of A Ltd. were made up to 31st December , 2016 and Draft Trading and Profit & Loss Account were as follows.

Particulars	Rs	Particulars	Rs
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 & Insurance	18,000	By Gross Profit b/d	3,00,000
To Interest	6,000		
To director's Fees	20,000		
To Salaries	51,000		
To Office Expenses	42,000		
To Travellers Commission	12,000		
To discounts	5,000		
To Advertisements	10,000		
To Bad Debts	3,000		
To Depreciation	15,000		
To debenture Interest	4,500		
To Net Profit	1,12,500		

To Net profit	1,13,500	
	3,00,000	3,00,000

It is ascertained that the sales of November and December are one and half times the average of those for the year while sales for February and April are only half the average. You are required to show the apportionment of year's profit between the Pre and post –incorporation periods.

OR

Q3B. Following is the summary Balance sheet of Prabhakar Rao Ltd. as on 31st March , 2017.

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Liabilities	Rs.	Assets	Rs.
8% Redeemable Pref. shares Capital (Shares of Rs.10 each fully paid up)	13,50,000	Fixed Assets (net)	25,00,000
Equity Share Capital (Shares of Rs.10 each fully paid up)	13,50,000	Investment (Long Term)	4,05,000
Securities Premium	40,500	Bank Balance	3,00,000
Profit and Loss Account	13,50,000	Other Current Assets	10,50,000
Directors Loan(Long Term)	50,000	Long term Trade Receivable	20,000
Sundry creditors	1,34,500		
	42,75,000		42,75,000

The company exercised the option to redeem the preference shares at 10% premium. For this purpose , it issued 67,500 right shares Rs. 10each at a premium of Rs. 10 per share . The right shares were fully subscribed & cash were received. Investments were sold for Rs. 5,13,000. All payments were made to preference shareholders, except to a person holding 675 shares, who was not traceable. Pass necessary journal entries in the books of Company and prepare Balance sheet immediately after the redemption is carried out.

Q4A. XY Enterprises has a branch in New york As on 31st March ,2017. The Trail balance of the branch was as follows.

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Particulars	Dr.S	Cr.S
Head Office Account	-	8,500
Sales	-	61,000
Goods from Head office	44,000	-
Stock on 1 st April 2016	8,500	-
Furniture	9,000	-
Cash in Box	250	-
Bank Balance	1,250	-
Salaries	2,800	-
Rent	1,200	-
Insurance	150	-
Outstanding expenses	-	800
Sundry Debtors	3,150	-
	70,300	70,300

The branch account in head office shows debit balance Rs. 2,14,500 and goods sent to branch credit balance Rs.13,12,500.

Depreciate Furniture @10% p.a.

The Stock at branch on 31st March , 2017 was \$7,500.

Furniture was purchased in 2017 when one \$ = Rs. 20.

The Exchange Rates were:

1st April , 2016 1\$ =RS 28

31st March, 2017 1\$=RS 30

Average Rate 1\$= RS 29

You are required to prepare Branch Trial Balance by converting in rupees and prepare Branch Trading & Profit & Loss A/c for the year ended 31-03-2017, and balance sheet as on that date.

OR

3

Q4B. XYZ issued 200,15% debentures of Rs 100 each on April1,2018 at discount of 10% redeemable at premium of 10% out of the profits .Give journal entries at the time of issue and redemption of debentures if debentures are to be redeemed in lumpsum at the end of the 4th year. The company has invested the requisite amount as stipulated in the act for the redemption of debentures .Pass the necessary journal entries if(a)XYZ is a listed company (b)XYZ is other unlisted company. 15

Q5(a) Explain Depreciation and amortization expense 08

Q5(b) Explain Schedule III of Companies Act,2013. 07

OR

Q5 Write short notes (Any three) 15

1. Provisions of Companies Act, 2013.
2. Redeemable Preference Shares
3. Basis of Allocation of expenses.
4. Profit Prior to Incorporation
5. Time Ratio and Sales Ratio