

R4AA324

Duration: 2.5 Hours

Total Marks :75

**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.

**Q1A State whether the following statements are True or False(any eight):**

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1. Debenture redemption reserve is created out of capital reserve.
2. Interim dividend is declared by board of directors.
3. Patents are fictitious assets.
4. Calls in arrear are ~~deducted~~ *added to* from share capital.
5. Terms of redemption of debentures are mentioned at the time of issue.
6. Horses are disclosed under PPE.
7. Calls in arrear are deducted from share capital.
8. Loss prior to incorporation is debited to goodwill account.
9. Partly paid Preference shares cannot be redeemed.
10. ~~Partly paid preference shares cannot be redeemed.~~ *furniture is a fixed Assets*

**Q1B Match the pair (Attempt any Seven)**

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	Column A		Column B
1	Accounting Standard – 1	a	Form of Statement of Profit and Loss
2	Accounting Standard – 11	b	Sales basis
3	Part I of Schedule III	c	Long term borrowings
4	Part II of Schedule III	d	Non-current assets
5	Advertisement expenses	e	Short term borrowings
6	Rent, rates and taxes	f	Form of Balance sheet
7	Interest on bank overdraft	g	Disclosure of Accounting Policy
8	Deferred tax assets	h	Accounting for foreign currency
9	Debentures	i	Time Basis
10	Bank overdraft	j	Finance Cost

**Q2A From the following Trial balance of Mayur Ltd. Prepare the balance sheet of the company as on 31<sup>st</sup> march 2017 as per the Companies Act.**

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**Trial balance as on 31st March, 2017**

Debit	Rs.	Credit	Rs.
Advances to Employees	3,00,000	Equity share Capital	52,00,000
Cash at bank	3,14,320	Capital Reserve	60,000
Furniture and fixture	7,50,000	Loan from SBI	8,00,000
Premises	41,09,940	Provision for Employees Welfare Fund	6,00,000
Patents	10,00,000	Provision for Expenses	1,64,000
Expenses on issue of shares(unwritten off)	25,000	Short term loan from bank	4,90,200
Trade receivables	3,66,240	Unpaid Dividend	64,800
Advance Tax	50,000	Profit and loss A/C	42,980

8% Government Bonds	3,36,000	Bills Payable	85,100
Stock in Trade	3,55,600	Sundry Creditors	1,00,020
	<b>76,07,100</b>		<b>76,07,100</b>

OR



**Q2B** The following balances have been extracted from the accounting records of V.P sugar limited as at 31<sup>st</sup> March 2022.

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Particulars	Amount Rs.
Sale of sugar (Net of excise duty)	70,66,041
Other operating income ( Power generation)	1,95,616
Other Income	1,30,088
Cost of material consumed	30,81,842
Increase in inventory of Finished goods,W.I.P,etc.	6,96,688
Salaries and wages	5,19,426
Contribution of P.F and Gratuity fund	2,50,000
Depreciation	3,32,593
Amortization Expenses	1,00,000
Power and fuel	15,23,312
Rent,Rates and Taxes	13,21,246
Finance cost	1,97,768
Tax expenses	2,16,818
Paid up Equity share capital of Rs 10 each	2,71,000

You are required to prepare statement of profit and Loss for the year ended 31<sup>st</sup> March 2022.

**Q3A** Veekay Private Limited was incorporated on 1<sup>st</sup> August, 2016. This company agreed to take over business of M/S. Jay Vijay and Company as going concern, effective from 1<sup>st</sup> April, 2016. The agreement also provided that vendors are entitled to 60% of Profits (or loss if any) for period up-to 1<sup>st</sup> August, 2016. The Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017 is:

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Particulars	Amount (₹)	Particulars	Amount (₹)
To Stock	30, 000	By Sales	3, 00, 000
To Materials consumed	1, 20, 000	By Stocks	42, 000
To wages	30, 000		
To Factory Expenses	42, 000		
To Gross Profit	1, 20, 000		
	<b>3, 42, 000</b>		<b>3, 42, 000</b>
To Salaries	30, 000	By Gross Profit	1, 20, 000
To Rent	9, 000	By Profit on sale of Investment	20, 000
To Office Expenses	6, 000		
To Sales Commission	15, 000		
To Bad-Debts	5, 000		
To Directors Fees	8, 000		
To Depreciation	18, 000		
To Debenture Interest	8, 000		
To Interest to Vendor	6, 000		
To Net Profit	35, 000		
<b>Total</b>	<b>1, 40, 000</b>	<b>Total</b>	<b>1, 40, 000</b>

**Additional Information:**

- 1) Monthly sales for October 2016 to March 2017 are 150% of monthly sales for April, 2016 to September 2016.
- 2) Bad-debts are in respect of sales affected two years ago.
- 3) Investment was sold on 1<sup>st</sup> November, 2016.
- 4) Consideration to Vendors was paid on 1<sup>st</sup> October, 2016.
- 5) Rent was increased from ₹ 500 per month to ₹ 1000 per month effective from 1<sup>st</sup> October, 2016.

**Prepare Statement of Profit & Loss.**

OR

**Q3B** Tab Limited had issued – 1, 50, 000 – 10% Preference Shares of ₹ 10 each, , redeemable at a premium of 10% on 31<sup>st</sup> December, 2017. The company has adequate balance in General Reserves. To provide funds for redemption, company – **15**

- 1) Sold investment costing ₹ 2, 00, 000 for ₹ 3, 00, 000.
- 2) Issued for cash – 2500 -15% Debentures of Rs.100 each at par.
- 3) Issued – 50, 000 Equity shares of ₹ 10 each at premium of ₹ 4 per share.

**You are required to pass journal entries in the books of Tab Limited.**



**Q4A** The Firm Hardik and co with its H.O in Bhopal has a Branch in Sydney. At the end of each year (December 31) a Trial balance sent by branch in Australian dollar currency is converted into Rupee currency at the head office. 15

The following Trial Balance for the year has been compiled at the branch as on 31<sup>st</sup> December, 2017.

Particulars	Dr.\$	Cr.\$
Bills Receivables	2,500	----
Sundry Debtors	3,800	----
Sundry Creditors	----	1,100
Purchases	13,500	----
Sales	----	22,800
Furniture and Fixtures	1,340	----
Stock (1 <sup>st</sup> January, 2017)	2,000	----
Establishment Expenses	2,000	----
Salaries	1,400	----
Rent, Rates, Taxes	400	----
Sundry Expenses	1,450	----
Depreciation on Furniture and Fixtures	128	----
Remittances to H.O	1,502	----
Head Office Account	----	6,920
Cash on Hand and at Bank	800	----
	<b>30,820</b>	<b>30,820</b>

The Stock in hand on December 31<sup>st</sup> 2017 was \$2,500.

The Exchange Rates were:

1<sup>st</sup> January 2017      1\$ = RS 34

31<sup>st</sup> January 2017    1\$ = RS 36

Average Rate        1\$ = Rs 35

Furniture and Fixtures were brought when the rate of exchange was 1\$ = RS 30.

In the Bhopal books the balance of Sydney branch account and remittances from Sydney branch account appear as Rs 1,78,847 and Rs 37,068.

Convert the Trial balance into Rupees currency and prepare the final accounts of the branch.

**OR**

**Q4B** Vasundhara Ltd. has 6000; 8% Debentures of ₹ 100 each due for redemption in 4 equal annual installments starting from March 31<sup>st</sup>, 2013. Company decided to create DRR at 25%. Debenture Redemption Reserve has a balance of ₹ 70, 000 as on that date. Company decided to create further DRR of ₹ 80, 000 on 31<sup>st</sup> March, 2013. Record necessary journal entries. The complied with the requirements with respect to investment made in government securities on 30<sup>th</sup> April, 2012. 15

**Q5A** Explain Profit Prior To Incorporation.

**B** Explain the Provisions of Companies Act, 2013.

**OR**

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**Q5C Write short notes (Any three)**

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1. Types of Preference shares
2. Time ratio and Sales ratio
3. Debenture Redemption Reserve
4. Capital redemption reserve
5. Finance cost