

(L)

SYBAF
OP3ABR

Financial
Acctg.

Marks 75

Time 2 ½ hours

All Questions are compulsory carrying 15 marks each.

Q1. A. Match the Following Columns (Attempt any 8)

(8)

	COLUMN A		COLUMN B
1	Sundry Debtors	a	Non-Current Assets
2	General Reserve	b	Capital Reserve
3	SEBI - DRR	c	<F7>
4	Payment Voucher	d	Sales Ratio
5	Balance in Debenture Redemption Reserve transferred to	e	Time Ratio
6	Freight Outward	f	Non Divisible Profits
7	Land and Building	g	Current Assets
8	Depreciation	h	<F5>
9	Journal Voucher	i	50 percent
10	Profit on forfeiture of preference shares	j	General Reserve
		k	Divisible Profits

B. State whether True or False. (Attempt any 7)

- (7)
1. In Tally the transactions are recorded through journal entries.
 2. When debentures are redeemed an equal amount out of profits will be transferred to Debenture Redemption Reserve.
 3. Good in Transits come under Current Assets
 4. Interest received on Sinking Fund Investment cannot be invested.
 5. Gross profit is divided into pre and post incorporation in the ratio of time.
 6. Partly paid Preference Shares can be redeemed.
 7. Contingent Liabilities has to be shown as a foot note in the Balance Sheet.
 8. All purchases and manufacturing expenses should be classified under Direct Expenses Group.
 9. Share Forfeited Account is a Divisible Profit.
 10. Loss post incorporation is transferred to Profit and Loss Account.

OP3ABR

Q2. Mapro Ltd. Issued on 1st April 2010, 9000 9% Redeemable Preference Shares of ₹ 100/- each, fully paid. The Shares were redeemed on 31st March 2014 at a premium of 6%. It was decided that the company will make a fresh issue of 50,000 equity share of ₹10/- each at a premium of ₹2/- per share. The issues were fully subscribed and paid. Profit & Loss amount has sufficient balance. Pass the necessary journal entries and prepare Ledger Account of Security premium Account, Preference shareholder Account and 9% Preference share capital account.

15

OR

Q2. Trial balance of M/s. Relifresh Stores Ltd. as on 31st March 2011.

15

Debit Balances	₹	Credit Balances	₹
Fixed Assets	12,00,000	Equity Share Capital	8,00,000
Closing Stock	3,70,000	9% Preference Share Capital	2,00,000
Bank Balance	2,98,000	General Reserve	75,000
Advance Tax	1,80,000	Debenture Redemption Reserve	1,20,000
Advance to Suppliers	15,000	Profit & Loss Account	3,40,000
Sundry Debtors	2,32,000	Security Premium	55,000
Salary Advance (Staff)	50,000	11% Debentures	3,00,000
Pre-paid Expenses	42,000	Proposed Dividend	75,000
Share Issue Expenses	10,000	Interest Accrued and due on debentures	33,000
Cash Balance	60,000	Provision for Taxation	2,05,000
		Bills Payable	18,000
		Sundry Creditors	2,36,000
	24,57,000		24,57,000

Additional Information:

- Equity Shares – 80,000 shares of ₹10/- each Authorised issued and subscribed.
- Debtors due for more than 6 months is ₹1, 00,000/-. All debts are unsecured and considered to be good.
- Creditors include for expenses ₹55,250/- balance creditors are towards Raw materials.
- Ignore previous year's figures.
- Profit and Loss has been arrived as under:-
Previous years Balance b/d

₹ 1, 40,000

Net Profit for the current year

₹2, 00,000

₹3, 40,000

6. Transfer to General Reserve ₹15,000/- and Debenture redemption Fund ₹35,000/- each.

7. Debentures are secured against Fixed Assets.

8. Closing stock consist of Raw materials ₹70,000/- work in progress ₹35,000/- and Finished Goods ₹ 2, 65,000/-.

9. Fixed Assets consists of Land ₹5, 00,000/-, Building ₹3, 00,000/-, Machinery ₹1, 50,000, Vehicle ₹75,000/-, Goodwill ₹85,000/-, Furniture ₹90,000/-
Prepare Balance Sheet as on 31st March 2011 as per the schedule VI requirements, after considering the above adjustment

Q3. Bharat Ltd. Issued 3800 12% Debentures of ₹100/- each on 1st Jan 2011. These debentures were redeemed on 31st Dec., 2014 under SEBI regulations. Directors decided to transfer ₹47,500/- in Debenture redemption Reserve Account every year till the debentures are redeemed.

15

Record necessary Journal Entries and prepare Ledger Accounts of the following

- a. Debenture Redemption Reserve
- b. 12% Debenture Capital
- c. Debenture holders

OR

Q3. Sunlight Ltd. Issued 3300/- Redeemable Preference shares of ₹100/- each paid ₹ 90/- on 1st Jan 2008. The company decided to redeem these shares at a premium of 10% on 31st December 2013, after making a final call. The entire final call amount was paid by the Preference share holders. The company decided to make the following issues.

15

a. 500, 8% Debentures of ₹100/-

b. 2,500 equity shares of ₹100/- each at a premium of 12%.

The issues were fully subscribed, and paid. The redemption was duly carried out. The company has sufficient profits. Post necessary journal entries to record the above transaction. Prepare Ledger Account of Preference share capital, Preference share holder's a/c equity share capital account, 8% debenture a/c.

Q4. Raj Ltd., was incorporated on 1st July 2012. The business was acquired on 1st April 2012. The following is the Profit & Loss Account for the year ended 31st March 2013.

Particulars	₹	Particulars	₹
To Salaries	58,000	By Gross Profit b/d	2,64,000
To Rent & Taxes	34,000	By Interest on Investments	12,000
To Carriage Outwards	15,000		
To Audit Fees	48,000		
To Printing and Stationery	18,000		
To Preliminary Expenses	8,200		
To Bad debts	38,000		
To Sales Expenses	21,000		
To Net Profit c/d	35,800		
	2,76,000		2,76,000

Relevant Information:

- Gross Profit ratio was constant throughout the year.
 - Bad debts of ₹22,000/- was pertaining to the sale for the year Jan 2009.
 - Salary up to October 2012 was ₹4,000 per month there after it was increased by ₹2,000/- per month.
 - All investments were made after incorporation of business.
 - Rent up to Nov.2012 was ₹2000/- and thereafter was increased to ₹4,500/- per month.
 - Sales for the year was ₹6,00,000/- out of which ₹2,00,000/- was for the period 1st April 2012 to 30th June 2012.
- Prepare columnar Profit and Loss Account showing prior and Post incorporation period.

OR

Q4. Indian Oil Ltd. had issued 4000 11 % Debentures of ₹100/- each under SEBI regulation on 1st April 2011. The Debentures were redeemed on 31st Dec 2013 at par. The company offered 3 options to the Debenture holders.

15

- Option 1 – 12% Preference share of ₹10/- each at ₹12/-.
- Option 2 – 15 % Debentures of ₹100/- each at par.
- Option 3 – Redemption in cash.

The options were accepted as under

- Option 1 was accepted by 500 Debenture holders
- Option 2 was accepted by 1800 Debenture holders
- Option 3 was accepted by 1700 Debenture holders

Pass necessary Journal entries.

Q5. Explain in details Voucher in Tally.

15

OR.

Q5. Short Notes (Attempt any 3)

15

- Intangible Assets
- Redemption of Partly paid preference shares.
- Purpose and Operation of Debenture Redemption Fund.
- Ascertainment of Profit prior to Incorporation.
- Features of Accounting Software.