



- 7) Surplus or Deficiency account is prepared as per \_\_\_\_\_.  
a) List A  
b) List D  
c) List E  
d) List H
- 8) In the event of liquidation of the company, equity shareholders are the \_\_\_\_\_.  
a) first claimant  
b) second claimant  
c) Third claimant  
d) last claimant
- 9) In case of shares underwriting commission must not exceed \_\_\_\_\_.  
a) 1.5%  
b) 2%  
c) 2.5%  
d) 5%
- 10) Underwriting commission is paid only on those shares which are taken up by \_\_\_\_\_.  
a) General public  
b) promoters  
c) Directors  
d) employees
- 11) Audit of accounts of LLP is compulsory whose turnover exceeds \_\_\_\_\_.  
a) ₹ 20,00,000  
b) ₹ 25,00,000  
c) ₹ 40,00,000  
d) ₹ 45,00,000
- 12) As per section \_\_\_\_\_ present partnership is converted into LLP.  
a) 50  
b) 55  
c) 60  
d) 60

**B) State whether the following statements are true or false. (Any Ten) [10]**

- 1) Amalgamation involves minimum two companies.
- 2) On amalgamation preliminary expenses are transferred to equity shareholders' account.
- 3) Exchange rate on the date of transaction is called as spot rate.
- 4) Accounts receivable is non-monetary item.
- 5) A company is created by law.
- 6) Taxes payable to government is preferential creditors.
- 7) Petition for winding up can be filed by company itself.

- 8) Underwriter must hold certificate granted by RBI.
- 9) Time limit for minimum subscription is 21 days.
- 10) Applications having stamp of underwriters are called sealed applications.
- 11) Maximum number of partners in LLP is 50.
- 12) Duties of partners of LLP are governed by partnership deed.

Q.2 Amit Ltd. and Sumit Ltd. were amalgamated on and from 1<sup>st</sup> April, 2022. A new company namely Star Ltd. was formed to take over the business of both the companies. [20]

Balance Sheets as on 31<sup>st</sup> March, 2022

Liabilities	Amit Ltd.	Sumit Ltd.	Assets	Amit Ltd.	Sumit Ltd.
Equity Shares of ₹ 100 each, fully paid	6,00,000	4,00,000	Land and Building	5,00,000	3,00,000
12% Preference Shares of ₹100 each, fully paid	2,00,000	1,00,000	Plant and Machinery	2,00,000	2,00,000
General Reserve	1,50,000	1,20,000	Computers	1,00,000	1,20,000
Profit and Loss A/c	50,000	60,000	Stock	1,50,000	60,000
Statutory Reserve	60,000	70,000	Debtors	80,000	1,20,000
10% Debentures of ₹ 100 each	1,00,000	1,00,000	Bills Receivables	50,000	1,00,000
Sundry Creditors	1,30,000	80,000	Bank	2,70,000	1,00,000
Bills Payables	60,000	70,000			
<b>Total</b>	<b>13,50,000</b>	<b>10,00,000</b>	<b>Total</b>	<b>13,50,000</b>	<b>10,00,000</b>

**Additional Information:**

- 1) Star Ltd. issued five equity shares, for each equity share of Amit Ltd. and four equity shares, for each equity share of Sumit Ltd. The shares are of ₹ 10 each, issued at ₹ 30 each.
- 2) Preference shareholders of both the companies are issued equivalent number of 15% preference shares of new company at ₹ 150 per share (face value ₹ 100).
- 3) 10% Debenture holders of Amit Ltd. and Sumit Ltd. are discharged by Star Ltd. issuing such number of its 16% debentures of ₹ 100 each so as to maintain the same amount of interest.
- 4) Star Ltd. revalued following assets taken over from Amit Ltd. and Sumit Ltd.

On the above data of the firm at book less than the

Particulars	Amit Ltd.	Sumit Ltd.
Land and Building	6,00,000	4,00,000
Plant and Machinery	1,80,000	1,70,000
Computers	80,000	1,00,000
Stock	1,20,000	50,000
Debtors	75,000	90,000

You are required to:

- i) Compute Purchase Consideration
- ii) Pass Journal Entries in the books of Star Ltd. under purchase method.

OR

Q.2 A] AT Ltd. has authorised capital of ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. The company issued for public subscription 50,000 shares at a premium of ₹ 12 each.

[10]

The entire issue was underwritten as follows:

Akash – 30,000 shares (firm underwriting 5,000 shares)

Kishor– 15,000 shares (firm underwriting 2,000 shares)

Rakesh– 5,000 shares (firm underwriting 1,000 shares)

Out of the total issue 45,000 shares, including firm underwriting, were subscribed. The following were the marked forms:

Akash – 16,000 shares

Kishor– 10,000 shares

Rakesh– 4,000 shares

Calculate the liability of each underwriter. Underwriters are not given any benefit for firm underwriting.

B] Anita and Sunita were equal partners in the firm. Their Balance Sheet as on 31<sup>st</sup> March 2020 was as under.

[10]

Liabilities	₹	Assets	₹
<b>Capital accounts</b>		Land & Building	1,00,000
Anita	80,000	Machinery	30,000
Sunita	60,000	Stock	25,000
Creditors	35,000	Debtors	40,000
Bank Loan	40,000	Cash	20,000
<b>Total</b>	<b>2,15,000</b>	<b>Total</b>	<b>2,15,000</b>

On the above date the firm was converted in M/S AS LLP which took over all assets and liabilities of the firm at book value except Land and building and Machinery which were taken over at 10% less than the book value. Goodwill of the firm was valued at Rs.70,000. The dissolution expenses Rs.3,000 were paid by the old firm.

- Prepare 1) Statement of Purchase Consideration and  
2) Prepare necessary accounts to close the firms books.

Q.3 M/S Mayuri Ltd. of Ratnagiri exported goods to M/S David brothers of USA worth US \$ 100000 on 1st Nov.2020 when the rate of exchange was 68 per US \$. The amount received from the buyer was as follows. [20]

Date of Receipt	Receipt in US \$	Exchange rate per dollar(\$)
15 Nov 2020	20,000	69
25 Nov 2020	30,000	68.50
15 Jan 2021	15,000	67
15 Mar 2021	10,000	69
25 Mar 2021	5,000	69.50
20 April 2021	20,000	69.50

M/S Mayuri Ltd closes its accounts on 31<sup>st</sup> March every year. On the 31 March 2021 rate of exchange was ₹ 70 per US \$.

You are required to pass journal entries in the books of M/S Mayuri Ltd. For the year ended 31<sup>st</sup> March 2021 and 31st March 2022 and prepare M/S David Brothers account in the books of M/S Mayuri ltd for the both years.

OR

Q.3 A] Ramesh Ltd. took over the business of Suresh Ltd. as on 1<sup>st</sup> April, 2022 at book value. Following is the summarised Balance Sheet of Suresh Ltd. [10]

Balance Sheet as on 31<sup>st</sup> March, 2022

Liabilities	₹	Assets	₹
60,000 Equity Share Capital of ₹ 10 each	6,00,000	Plant and Machinery	4,00,000
		Furniture and Fixture	3,00,000
Reserve and Surplus	4,00,000	Investments	50,000
Creditors	40,000	Stock	60,000
Bills Payables	60,000	Debtors	1,00,000
		Cash and Bank Balance	1,50,000

		Preliminary Expenses	40,000
<b>Total</b>	<b>11,00,000</b>	<b>Total</b>	<b>11,00,000</b>

Ramesh Ltd. issued one equity share of ₹ 10 each at a premium of ₹ 2 per share for every share in Suresh Ltd. You are required to:

- Compute Purchase Consideration
- Prepare Balance Sheet of Ramesh Ltd. after acquisition. Acquisition is in the nature of Purchase.

B] Zebra Ltd. resolved to issue 1,60,000 equity shares of ₹ 10 each at 20% premium, out of which 50% shares were taken up by the directors and the remaining shares were issued to the public. The entire issue was underwritten as follows: [10]

- Rane – 40,000 shares (firm underwriting 8,000 shares)
- Kane – 24,000 shares (firm underwriting 4,000 shares)
- Mane – 16,000 shares (firm underwriting 4,000 shares)

The applications were received for 72,000 shares in which the marked applications including firm underwriting were as follows:

- Rane – 28,000 shares
- Kane – 11,200 shares
- Mane – 12,800 shares

Determine the liability of all the underwriters if the benefit of firm underwriting is to be given to the individual underwriters.

Q.4 Following is the Balance Sheet of Ratun Ltd. as on 31<sup>st</sup> December, 2021. [20]

**Balance Sheet as on 31<sup>st</sup> December, 2021**

Liabilities	₹	Assets	₹
2,000 8% Preference Share Capital of ₹ 100 each fully paid	2,00,000	Goodwill	1,50,000
4,000 Equity Shares of ₹ 100 ₹ 80 paid-up	3,20,000	Land and Building	4,00,000
5,000 Equity Shares of ₹ 100 ₹ 70 paid-up	3,50,000	Plant and Machinery	2,00,000
6% Debentures (having a floating charge on all assets)	2,00,000	Furniture	50,000
		Office Equipment	40,000
		Stock	1,00,000
		Debtors	80,000
		Bills Receivable	45,000

Outstanding Debenture Interest	6,000	Cash in Hand	15,000
Creditors	2,00,000	Profit and Loss A/c	1,96,000
<b>Total</b>	<b><u>12,76,000</u></b>	<b>Total</b>	<b><u>12,76,000</u></b>

The company went into liquidation as on above Balance Sheet date:

1) Preference dividend was in arrears for last 3 years and it was to be paid before paying equity share capital.

2) Sundry creditors include a loan from bank ₹1,00,000 secured on the hypothecation of Plant and Machinery. Sundry Creditors also include Preferential Creditors of ₹ 10,000.

3) The Liquidator realised the assets as follows: ₹

Land and Building	3,80,000
Plant and Machinery	1,50,000
Furniture	25,000
Office Equipment	20,000
Stock	70,000
Debtors	60,000
Bills Receivable	30,000

4) Legal charges on liquidation amounted to ₹ 5,000.

5) The liquidation expenses ₹ 10,000.

6) The liquidator's remuneration was fixed at ₹ 2,000 plus 2% on sale of assets excluding cash plus 4% of the amount distributed to unsecured creditors including Preferential Creditors.

7) The liquidator made payment on 31<sup>st</sup> March, 2022.

Prepare Liquidator's Final Statement of Accounts.

**OR**

Q.4A] M/S Radhika Ltd. of Pune imported goods from Mathew Ltd. of USA worth US \$ 20,000 on 15 Oct.2021 when the rate of exchange was ₹ 73 per US \$. The supplier was paid as follows. [10]

Date of payment	Payment in US \$	Exchange rate per dollar(\$)
30 Oct 2021	2,000	71
15 Nov 2021	3,000	74
25 Nov 2021	4,000	72
30 Jan 2022	5,000	70
10 March 2022	5,500	73

Radhika Ltd closes its accounts on 31<sup>st</sup> March every year. On 31<sup>st</sup> March 2022 rate of exchange was ₹ 73.50 per US \$. You are required to pass journal entries in the books of M/S Radhika Ltd. for the year ended 31<sup>st</sup> March 2022.

B] Neela and Sheela were partners in the firm sharing profit and loss in 3:2 ratio. Their Balance Sheet as on 31<sup>st</sup> March 2021 was as under. [10]

Liabilities	₹	Assets	₹
Neela capital	1,00,000	Building	1,00,000
Sheela capital	80,000	Machinery	70,000
General reserve	15,000	Stock	30,000
Creditors	40,000	Debtors	40,000
Bills payable	20,000	Cash balance	15,000
Total	2,55,000	Total	2,55,000

On the above date the firm was converted in M/S Neeshee LLP which took over all assets and liabilities of the firm at book value except building and machinery which were taken over at 10% less than the book value. Goodwill of the firm was valued at Rs.1,00,000. The dissolution expenses Rs.5,000 were paid by the old firm.

- 1) Statement of purchase consideration and
- 2) Pass journal entries in the books of the old firm

Q.5A] What is 'Underwriting'? Explain the conditions for payment of underwriting commission. [10]

B] State and explain the features of Limited Liability Partnership. [10]

OR

Q.5 Write short notes (Any Four) [20]

- 1) Trade Liabilities
- 2) The conditions of Amalgamation in the nature of merger
- 3) The features of Purchase Method
- 4) Types of underwriting
- 5) Statutory Reserve
- 6) Limitations of LLP

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