

Date  
24/09/2024

TYBCom Sem-VI (CBSGS) (Rev16) Examination September/October-2024

Sub:- Financial Accounting

Time: 3 hrs.

Total Marks: 100

- N.B. 1) All questions are compulsory  
2) Figures to the right indicate full marks  
3) Working notes should form part of your answer  
4) Use of simple calculator is allowed

Q.1A) Match the following (Any 10)

(10)

Column A	Column B
1. Marked Applications	a. Stock
2. Capital Reserve/ Goodwill	b. Holiday Remuneration
3. Non-Monetary Items	c. Profit on Realisation
4. Unmarked Applications	d. Statutory Reserve
5. Monetary Items	e. Minimum 2 Members
6. Preferential Creditors	f. Insolvency & Bankruptcy Code
7. Export Profit Reserve	g. Purchase Method
8. LLP	h. Purchasing Company
9. Equity Shareholders	i. Gross Liability Ratio
10. DPIN	j. Vendor Company
11. Voluntary Winding up	k. With Stamp
12. Transferee Company	l. Designated Partners
	m. Receivables

Q.1 B) True or False (Any 10):

(10)

- Purchase consideration includes payment to creditors also.
- Closing rate is the exchange rate at the Balance date.
- Company cannot become a member of LLP.
- Underwriting commission can exceed 5% of the issue price of shares.
- Loss on foreign exchange is debited to Realisation A/c.
- Liquidator is required to submit statement of affairs.
- Certificate of incorporation is issued by the registrar of firm.
- Exchange rate is the ratio of exchange of two currencies.
- Gross liability = Total liability + Unmarked applications.
- LLP having turnover above ₹ 50,00,000 must get their accounts audited.
- Amalgamation and Absorption both are governed by AS-14.
- Deficiency A/c is shown under List B.

The follo

**Q. 2 A)** Kalyani Ltd; and Deepali Ltd; were amalgamated on and from 1<sup>st</sup> April 2024. company namely Surekha Ltd; was formed to take over the business of Kalyani Ltd; and Deepali Ltd; (20)

Liabilities	Kalyani	Deepali	Assets	Kalyani	Deepali
7% Preference Shares of Rs. 100 each fully paid	4,00,000	2,00,000	Land & Building	15,00,000	10,00,000
Equity Shares of Rs. 100 each fully paid	18,00,000	17,00,000	Furniture & Fixtures	3,00,000	3,00,000
General Reserve	5,40,000	4,60,000	Motor Vehicle	3,00,000	1,00,000
Statutory Reserves	3,00,000	2,00,000	Stock	10,00,000	4,40,000
7% Debentures of Rs. 100 each	2,80,000	1,20,000	Debtors	6,60,000	8,40,000
Sundry Creditors	6,80,000	3,20,000	Bank	2,40,000	3,20,000
	<b>40,00,000</b>	<b>30,00,000</b>		<b>40,00,000</b>	<b>30,00,000</b>

**Additional information:**

- Surekha Ltd; issued one equity share, for every two shares of both the companies. The shares of Rs. 100 each, issued at Rs. 300 each.
- Preference Shareholders of both the companies are issued equivalent number of 10% Preference Shares of Surekha Ltd; at Rs. 150 per share.
- 7% Debenture holders of Kalyani Ltd; and Deepali Ltd; are discharged by Surekha Ltd; issuing such number of its 10% Debentures of Rs. 100 each so as to maintain the same amount of interest.
- Surekha Ltd; Revalued following Assets taken over from Kalyani Ltd; and Deepali Ltd;

Particulars	Kalyani Ltd;	Deepali Ltd;
Land & Building	20,00,000	13,50,000
Furniture & Fixtures	2,40,000	2,40,000
Motor Vehicle	2,80,000	93,000
Stock	7,50,000	3,30,000
Debtors	5,80,000	7,40,000

f) Statutory reserves are to be maintained for next three years.

You are required to:

- Compute Purchase Consideration
- Pass Journal entries in the books of Surekha Ltd; (Amalgamation is in the nature of Purchase)
- Prepare Balance Sheet of Surekha Ltd; after amalgamation.

**OR**

**Q.2 B)** Nilesh Ltd; went in to liquidation on 1<sup>st</sup> April 2024. The following balances are extracted from its books on that date: (10)

Liabilities	Amount Rs.	Assets	Amount Rs.
2,16,000 Equity Shares of Rs. 10 each	21,60,000	Machinery	8,10,000
Debentures (Secured by floating Charge)	13,50,000	Building	10,80,000
Bank Overdraft	4,86,000	Stock	27,000
Sundry Creditors	5,40,000	Debtors	13,50,000
		Investment	1,62,000
		Cash in Hand	27,000
		Profit & loss a/c	10,80,000
	<b>45,36,000</b>		<b>45,36,000</b>

Kalyani  
10,00,000  
Deepa  
April 2024  
yani Ltd. and Da  
(20)

The following assets are valued as under:

Particulars	Amount Rs.
Machinery	16,20,000
Building	19,62,000
Investments	1,08,000
Stock	54,000
Debtors	12,60,000

The bank overdraft is secured by deposit of title deeds of Building. There were preferential creditors amounting Rs. 27,000 which were not included in creditors Rs. 5,40,000.

Taking the above in to account prepare a statement of affairs.

Q.2 C) On 1<sup>st</sup> Januray 2024, Swara Ltd. imported goods worth \$ 50,000 from Starc Ltd. USA when the exchange rate was 1 US \$ = ₹ 78.00. The amount was paid in four instalments as under:

Date	Instalment (US \$)	Rate of Exchange
15/01/2024	15,000	₹ 78.25
10/02/2024	15,000	₹ 76.25
01/03/2024	10,000	₹ 78.50
25/03/2024	10,000	₹ 77.50

Pass Journal Entries in the books of Swara Ltd. for the year ended 31<sup>st</sup> March, 2024. (10)

Q.3 A) Adi Ltd. exported goods worth US \$ 1,00,000 to Hindenburg Traders of USA on 1<sup>st</sup> September, 2022.

The payments were received as under:

On 12 <sup>th</sup> September, 2022	-	\$ 10,000
On 27 <sup>th</sup> September, 2022	-	\$ 12,000
On 09 <sup>th</sup> November, 2022	-	\$ 18,000
On 13 <sup>th</sup> December, 2022	-	\$ 12,000
On 10 <sup>th</sup> March, 2023	-	\$ 28,000
On 05 <sup>th</sup> April, 2023	-	\$ 10,000
On 20 <sup>th</sup> May, 2023	-	\$ 10,000

The exchange rate for 1 US \$ during the transaction period was as follows:

1 <sup>st</sup> September, 2022	-	₹ 79.00
12 <sup>th</sup> September, 2022	-	₹ 79.50
27 <sup>th</sup> September, 2022	-	₹ 79.00
09 <sup>th</sup> November, 2022	-	₹ 80.00
13 <sup>th</sup> December, 2022	-	₹ 78.75
10 <sup>th</sup> March, 2023	-	₹ 78.00
31 <sup>st</sup> March, 2023	-	₹ 79.50
05 <sup>th</sup> April, 2023	-	₹ 78.50
20 <sup>th</sup> May, 2023	-	₹ 80.50

Adi Ltd. closes its books on 31<sup>st</sup> March every year.

Pass Journal entries and prepare Foreign Exchange Fluctuation A/c in the books of Adi Ltd for the year 2022-23 and 2023-24. (20)

OR

Q.3 B) Vivek Ltd; agreed to acquire the business of Shubham Ltd; as on 31<sup>st</sup> March 2024. The summarized Balance Sheet of Shubham Ltd; as on 31<sup>st</sup> March 2024 was as follows; (10)

Liabilities	Amt. Rs.	Assets	Amt. Rs.
10,000 Equity Shares of Rs. 100 each	10,00,000	Goodwill	2,00,000
General Reserve	3,40,000	Land & Building	6,00,000
Profit & Loss A/c	2,20,000	Furniture	5,80,000
10% Debentures	2,00,000	Closing Stock	3,00,000
Sundry Creditors	40,000	Debtors	1,00,000
		Bank Balance	20,000
	18,00,000		18,00,000

Additional information:

- Vivek Ltd; agreed to pay cash Rs. 10 per share to the shareholders of Shubham Ltd;
- Vivek Ltd; Also issued 9,000 Equity Shares of Rs. 100 each at Rs. 120 per share to Shubham Ltd;
- The Debentures of Shubham Ltd; is discharged at 10% Premium by issuing 12% Debentures of Vivek Ltd; at par.
- Assets of Shubham Ltd. was revalued as follows:  
Land & Building Rs. 12,00,000, Stock Rs. 3,50,000 and Debtors subject to 10% provision for Discount.
- Liquidation expenses agreed to be paid by Shubham Ltd. was Rs. 10,000.

Prepare:

- Statement of Purchase Consideration
- Necessary Ledger Accounts to close the books of Shubham Ltd;

Q. 3 C) The Balance Sheet of Rajveer Ltd; as on 31<sup>st</sup> March 2024 was as follows: (10)

Liabilities	Amount Rs.	Assets	Amount Rs.
24,000 Preference Shares of Rs. 10 each	2,40,000	Land & Building	6,00,000
36,000 Equity Shares of Rs. 10 each	3,60,000	Machinery	75,000
Bank Loan	12,00,000	Stock	15,75,000
10% Debentures	3,00,000	Debtors	3,00,000
Outstanding Interest on Debentures	30,000	Profit & loss a/c	1,80,000
Sundry Creditors	6,00,000		
	27,30,000		27,30,000

The company went in to voluntary liquidation on that date. Prepare the liquidators final statement of account after taking in to account the following:

- Liquidation expenses and liquidators remuneration amounted to Rs. 9,000 and Rs. 30,000 respectively.
- Bank loan was secured by pledge of stock
- Debentures are secured by floating charge on all assets.
- Fixed assets were realized at 10% more than book value and current assets at 80% of book value.

**Q. 4 A) Balance Sheet of Suraj as on 31<sup>st</sup> March, 2024 is as under: (20)**

Liabilities	₹	Assets	₹
Capital	2,50,000	Plant & Machinery	1,00,000
Loan from Shrushti	50,000	Furniture	80,000
Bank Loan	60,000	Investment	70,000
Sundry Creditors	40,000	Debtors	60,000
Bills Payable	20,000	Inventories	50,000
		Bank Balance	40,000
		Bills Receivable	20,000
	<b>4,20,000</b>		<b>4,20,000</b>

**On the above date, S & S LLP was incorporated to take over the business of Suraj on the following terms and conditions**

1. Suraj and Shrushti will be the partners of S&S LLP sharing profits and losses equally and contributing ₹ 3,00,000 each.
2. Plant & Machinery to be taken over at 150% and Furniture is valued at ₹ 95,000.
3. All remaining assets (except investment and bank balance) and all liabilities (except Shrushti's loan) to be taken over by LLP at book value.
4. Goodwill to be valued at ₹ 1,50,000.
5. Shrushti's loan to be settled before forming LLP by Suraj.
6. Suraj sold all its investment for ₹ 80,000 to generate cash for payment of Shrushti's Loan.
7. Dissolution expenses of ₹ 5,000 to be borne by Suraj.
8. Purchase consideration to be settled in cash.

You are required to –

- a) Prepare statement of purchase consideration.
- a) Prepare necessary ledger accounts in the books of the proprietor.
- b) Journal entries in the books of S&S LLP.

**OR**

**Q.4 B) Vishnu Ltd. issued 1,00,000 Equity Shares of Rs.10 each at a premium of 20%. Company decided to collect full amount on application. The entire issue was underwritten by Atharva – 30%; Parthavi – 30%; Parna – 40%. They have also applied for Firm Underwriting as below:**

Atharva	-	5,000 shares
Parthavi	-	4,000 shares
Parna	-	4,000 shares

The total subscriptions excluding firm underwriting but including marked applications were 80,000 shares.

The marked applications were as under:

Atharva : 15,000 shares, Parthavi : 18,000 shares, Parna : 30,000 shares.

Commission is payable to underwriters @ 2.5% on issue price.

You are required to compute the liability of individual underwriters assuming benefit of firm underwriting is given and also pass the journal entries in the books of Vishnu Ltd. (20)

Q.5 A) What is meant by Purchase Consideration? Explain various methods of calculating the purchase consideration. (10)

Q.5 B) What is Limited Liability Partnership (LLP)? What are the advantages of LLP? (10)

OR

Q.5 Write short notes (Any four) (20)

- 1) Foreign Exchange Fluctuation account
- 2) Preferential Creditors
- 3) Conditional and Firm underwriting
- 4) Amalgamation in the nature of Merger
- 5) Explain Statement of Affairs
- 6) Marked and Unmarked applications

\*\*\*\*\*