

Time: 2.30 hrs

Marks: 75

Q.1 A) State whether the following statements are True or False: (Any 8)

08

- 1) Dividend can be paid to lenders of funds.
- 2) R.D.D. is usually estimated as percentage of debtors.
- 3) Trade Receivables are always shown under current Liabilities.
- 4) Shareholders funds are always non-current.
- 5) Capital profit realized in cash can be used for paying dividend.
- 6) The underwriting commission can be more than 10%.
- 7) Unmarked applications are known as direct applications.
- 8) Inventory is a non-monetary item.
- 9) Foreign currency is a currency other than home currency.
- 10) Dividend is always calculated on Market Value of the security.

Q.1 B) Match the following: (Any 7)

07

Group A	Group B
1. 10% Debentures	a. Ethics
2. Goodwill	b. Laws
3. Marked Applications	c. Accounting of Foreign Currency
4. Underwriting Commission	d. Reporting Currency
5. Ex- Interest	e. Added to cost
6. Brokerage on Purchase	f. Excluding interest
7. Home Currency	g. Maximum 5% in case of shares
8. AS-11	h. Bears stamp of underwriters
9. Rules that must be followed by all	i. Intangible Assets
10. Rules expected to be followed by all	j. Long Tem Borrowings

Q.2 From the following particulars of Freya Ltd., prepare Profit and Loss statement for 31-3-2022 as per revised schedule.

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Particulars	Amount
Opening stock of Finished Goods	1,50,000
Closing stock of Finished Goods	30,000
Cost of Materials Consumed	1,75,000
Sales	5,00,000
Interest Received	25,000
Depreciation	5,000
General Expenses	10,000
Salaries and Wages	50,000
Interest on Debentures	5,000
Provision for Taxation	50,000
Transfer to General Reserve	10,000

OR

Q.2. Xarnish Ltd exported goods to Happy Ltd from USA worth US \$ 50,000 on 15th February 2021 when exchange rate was Rs 65 per US \$.

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The payment was received in installments as under:

Date	Amount of Installment US \$	Exchange Rate per US \$
10/1/21	10,000 (Advance)	Rs 66
15/3/21	20,000	Rs 67
10/4/21	15,000	Rs 66
10/5/21	5,000	Rs 64

Xarnish Ltd closes its books every year on 31st March. On 31st March 2021, the exchange rate was Rs 68 per US \$.

You are required to pass Journal Entries in the books of Xarnish Ltd. for the year ended 31st March, 2021 and 31st March, 2022. Also prepare Foreign Exchange Fluctuation account in the books of Xarnish Ltd.

Q3. Manu Ltd has authorized capital of 1,00,000 equity shares of Rs 10 each. Company issued 60,000 shares at a premium of Rs 2 each. The entire issue was underwritten by Gopal, Madhav and Laxman in the ratio of 5:3:2 respectively.

Applications were received for 48,000 shares out of which marked applications were as follows:

Gopal	24000 Shares
Madhav	8550 Shares
Laxman	12450 Shares

Underwriters are entitled to get 5% commission on issue price.

You are required to:

- Find out the net liability of underwriters
- Pass Journal Entries in the books of Manu Ltd.

Q3. From the following is the trial balance of Vishal Ltd., prepare the Balance Sheet of the company as on 31st March 2021 as per Schedule III of the Companies Act.

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Trial Balance as on 31st March 2021

Debit	Rs	Credit	Rs
Advances to employees	3,00,000	Equity Share Capital	52,00,000
Cash at Bank	3,64,320	Capital Reserve	60,000
8% Govt. Bonds	3,36,000	Loan from SBI	8,00,000
Premises	48,59,940	Provision for Tax	7,64,000
Patents	10,00,000	Bills Payable	1,85,120
Discount 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
Stock in trade	3,55,600	Profit & Loss A/c	42,980
	76,07,100		76,07,100

Q.4. During the year ended 31st March 2021 Mr. Virat bought and sold the following 12% Debentures of Rs 100 each of Cherry Ltd. Interest being payable on 1st April and 1st October each year. **15**

Date	Particulars
1 st June, 2020	Bought 300 Debentures at Rs 92 Ex-interest
1 st September, 2020	Bought 100 Debentures at Rs 94 Cum-Interest
1 st December, 2020	Sold 200 Debentures at Rs 95 Ex-interest
1 st February, 2021	Bought 150 Debentures at Rs 98 Cum-Interest

Books are closed on 31st March every year. You are required to prepare Investment in 12% Debentures in Cherry Ltd. Account for the year ended 31st March, 2021 in the books of Virat (Apply AS-13).

OR

Q.4 A) Prepare Investments Accounts in the books of Miss Naina for the following transactions: **08**

12/04/2021 Purchased 1,00,000 Equity Shares of Rs 10 each in ABC Ltd. For Rs 50,00,000
 15/05/2021 ABC Ltd. Issued bonus shares of 3 Shares for every 2 Shares held.
 30/06/2021 Naina Sold 1,25,000 Bonus shares for Rs 20 each.

Q.4 B) Excel limited issued 40,000 shares of Rs 10 each. These shares were underwritten as by A and B in the ratio of 3:2. The public applied for 38,000 shares which included marked applications from the underwriters as follows : A -5,000 shares; B -3,000 shares. Determine the net liability of the underwriters. **07**

Q.5) a) What do you mean by Ethics? Describe its Scope. **07**

Q.5) b) Explain the types of Underwriting. **08**

OR

Q.5) Write a Short notes (Any Three) **15**

- Contingent Liabilities
- Five Fundamental Principles of IFAC
- Ex-Interest and Cum-Interest Price
- Accounting Standard 11
- Corporate Governance
