Program: T.Y.B.Com | Semester: V | Program Code: UGCOM01

Course: Accounting and Financial Management- V | Course Code: NUCM502

Duration: 2 Hour | Examination Pattern: NEP-Autonomous - External | Max. Marks: 60

Instructions:

1. Attempt Any Four questions out of Six.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1		Attempt the following.				[15]	CO's	KL's
	(a)	Fill in the blanks with an appropriate answer from the alternatives given.				[08]		
		I	Fictitious assets are to be transferred to _____.				CO1, CO2, CO3, CO4	L1
			a.	capital reduction	b.	security premium		
			c.	share capital	d.	capital reserve		
		II	Liabilities due for payment within 12 months from the Balance Sheet date are known as _____.					
			a.	capital	b.	current liabilities		
			c.	contingent liabilities	d.	loan		
		III	Buyback refers to _____.					
			a.	Refund of Bank Loan	b.	Refund of Debentures		
			c.	Refund of Equity share capital	d.	Purchase of own debentures		
		IV	Balance in Capital Reduction should be transferred to _____.					
			a.	security premium	b.	share capital		
			c.	Profit & Loss Account	d.	capital reserve		
		V	Buy-back of shares must be authorised by _____.					
			a.	Special Resolution	b.	Ordinary Resolution		
			c.	Board Resolution only	d.	Unanimous Resolution		
		VI	Bonus shares received by an investor generally _____.					
			a.	Increase the cost of investment	b.	Reduce the cost per share		
			c.	Increase the purchase price	d.	Create a liability		

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		VII	Bills Receivable is shown under _____.					
			a.	loans and advances	b.	current liabilities		
			c.	current assets	d.	contingent liabilities		
		VIII	On purchase of equity shares, the Equity Shares A/c is debited with _____.					
			a.	Face value	b.	Net selling price		
			c.	Market Value	d.	Cost of Purchase		
	(b)	**State whether the following statements are true or false.**					**[07]**	
		I	The cost and WDV of each class of fixed assets is to be disclosed					**CO1, CO2, CO3, CO4**	**L1**
		II	Capital reduction is one variety of capital restructuring.						
		III	The shares must be cancelled and destroyed after buy back.						
		IV	Pre-acquisition dividend is entered in cost column of Investment Account.						
		V	Public deposit is secured loan.						
		VI	Consolidation of shares result in profit for a company.						
		VII	Buyback must be as per RBI guidelines.						
Q. 2		**Balance Sheet of Sharma Ltd. as on 31st March, 2023.**					**[15]**	**CO's**	**KL's**

Liabilities	₹	Assets	₹
Equity shares of ₹ 10 each	6,00,000	Fixed Assets	18,00,000
Preference shares of ₹ 100 each	2,00,000	Long Term Investments	2,00,000
Security Premium	3,00,000	Bank Balance	21,00,000
General Reserves	2,00,000		
Profit & Loss A/c	2,00,000		
Debentures	16,00,000		
Creditors	10,00,000		
	41,00,000		**41,00,000**

Keeping in view all the legal requirements ascertain maximum Number of equity shares that Sharma Ltd. can buy-back at ₹ 30 per share. Also pass necessary journal entries.

CO3 **L3**

Q. 3		On 1st April, 2019, 200 6% Debentures of Rs. 100 each of Rajesh Ltd. were held as investment by Mr. Tarun at a cost of Rs. 18,200. Rajesh Ltd. pays interest on 1st May and 1st November every year. The following other transactions were entered by him during the year ended 31st March, 2020 in regard to these Debentures.	**[15]**	**CO's**	**KL's**

Date	No. of Debentures	Transaction	Rate
1-04-19	100	Sale	Rs. 98 cum-interest
1-10-19	100	Purchase	Rs. 104 ex-interest
1-12-19	200	Purchase	Rs.97 cum-interest
1-02-20	100	Sale	Rs.97ex-interest

You are required to prepare investment in 6% Debentures in Rajesh Ltd. account for the year ended 31st March, 2020 as it would appear in the books of Mr. Tarun (Apply AS 13).

CO4 **L3**

Q.4 **Complete the following Fixed Assets Schedule of Ram Mishra Ltd** **[15]** **CO's** **KL's**

Assets	Gross Block				Depreciation				Net Block	
	Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
Land	2,000	–	–	?	–	–	–	–	?	2,000
Building	6,000	–	2,000	?	750	100	250	?	?	3,400
Plant & Machinery	28,000	–	–	?	11,200	2,800	–	?	16,800	?
Furniture & Fixtures	5,000	1,500	1,000	?	1,000	300	200	?	?	4,400
Vehicles	8,000	2,000	–	?	3,200	800	–	?	4,800	?
Total	49,000	3,500	3,000	49,500	16,150	4,000	450	19,700	?	29,800

CO1 **L3**

Q. 5 **The Summarised Balance sheet of Ajmera Ltd. as on 31st March, 2024 appeared as follows:** **[15]** **CO's** **KL's**

Liabilities	₹
2,000, 10% Preference Shares of ₹ 100 each fully paid	2,00,000
60,000 Equity Shares of ₹ 10 each fully paid	6,00,000
9% Debentures	4,00,000
Interest Accrued on Above Debentures	44,000
Unsecured Long Term Loans	2,60,000
Creditors	1,96,000
Total	**17,00,000**

CO2 **L3**

Assets	₹
Goodwill	1,67,000
Land and Building	3,00,000
Plant and Machinery	2,15,000
Investments	25,000
Stock	2,10,000
Sundry Debtors	3,10,000
Bank	95,000
Preliminary Exp.	78,000
Profit and Loss A/c (Debit)	3,00,000
Total	**17,00,000**

A scheme of reconstruction has been agreed upon and approved by court, which is as follows:

1. Cost of Reconstruction paid ₹ 16,800.
2. Goodwill, Preliminary Expenses and Debit Balance of Profit and Loss Account is to be written off.
3. The value of Land and Building and Plant and Machinery should be appreciated by 20%.
4. ₹ 33,000 should be provided for doubtful debt.
5. Interest accrued on 9 % Debentures is settled fully by paying 50% of the amount.
6. 20% Stock is of poor selling line, which is sold at 40% of its book value.
7. 10% Preference Shareholders have agreed to accept 12% Debentures of ₹ 1,20,000, issued at par in full satisfaction of their claims.
8. Equity Shares are to be reduced to ₹ 3 each, fully paid.
9. Creditors are reduced by ₹ 45,000.

You are required to prepare:

a) **Capital Reduction Account in the book of Ajmera Ltd.**
b) **Pass necessary journal entries in the book of Ajmera Ltd.**

Q. 6		**Short Notes (Attempt Any 3 out of 5)**	**[15]**	**CO's**	**KL's**
	a)	Property, plant and equipment (Tangible Fixed Assets)		**CO1**	**L1**
	b)	Distinguish Between Internal and External Reconstruction		**CO2**	**L4**
	c)	Buy-back of Shares and Its Benefits		**CO3**	**L2**
	d)	Investment Accounting – AS 13		**CO4**	**L2**
	e)	Distinguish Between Interim Dividend and Final Dividend		**CO1**	**L4**

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