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[3 Hours]

[Total Marks: 100]

- N.B. (1) All questions are compulsory. Questions 2 to 6 have an internal choice
(2) Figures to the right indicate full marks.
(3) Use of simple calculators is allowed.
(4) Working notes should form part of your answer.

1(A) State whether following statements are True or False (Any Ten) (10)

1. A Debt Equity Ratio after buyback of shares should be maintained up to 2:1 as per legal requirement.
2. Reduction in Liability is debited to Capital Reduction A/c.
3. Investment Accounting is governed by AS 13.
4. In personal investment accounting, dividend received on shares for pre-acquisition period is treated as revenue gain.
5. Goodwill is classified as Fixed Asset under the Companies Act
6. As per CSR policy it is mandatory for certain companies to spend 5% of their average net profit of three immediately preceding financial years.
7. Law has a legal binding but Ethics do not have a binding nature.
8. Consolidation of shares results in profit for a company.
9. Interest Paid is disclosed under Finance Cost in Profit and Loss A/c.
10. For a company, dividend paid is an expense.
11. Capital Reduction requires court's sanction.
12. Public deposit is secured loan.

1(B) Rewrite the following sentences choosing the correct answer (Attempt any 10) (10)

1. Bills receivable is shown under _____ in Balance Sheet.
(Trade Receivables/ Other Current Assets)
2. Internal reconstruction is done as per section _____ of Companies Act
(319/ 66)
3. Buyback of equity shares can be of _____ paid up shares.
(Fully/ Fully and Partly both)
4. Ex-interest price includes _____ only.
(Interest/ Cost)
5. The term 'Ethics' comes from _____ word.
(Greek/ Latin)
6. Accounting Standard Board is constituted by _____.
(ICWAI/ ICAI)
7. The premium received on sale of Rights is credited to _____ A/c.
(Investment/ Profit & Loss)
8. A company cannot buy back more than _____ of its own funds.
(10% / 25%)
9. Reconstruction expenses are _____ to Capital Reduction A/c.
(Debited/ Credited)

