

CO2	K3	12a.	<p>The following are the details taken from the records of B Limited on June 30, 2009:</p> <table> <tr> <td>Share Capital:</td> <td style="text-align: right;">Rs.</td> </tr> <tr> <td>Equity shares (fully paid up)</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>Preference Shares (fully paid up)</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>General reserve</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Profit and loss account (Credit balance)</td> <td style="text-align: right;">1,25,000</td> </tr> <tr> <td>Share Premium account</td> <td style="text-align: right;">50,000</td> </tr> </table> <p>The company decided to redeem the preference shares at a premium of 10% out of its General reserve and Profit and Loss account. Give Journal entries relating to redemption of preference shares.</p> <p style="text-align: center;">(OR)</p>	Share Capital:	Rs.	Equity shares (fully paid up)	6,00,000	Preference Shares (fully paid up)	3,00,000	General reserve	2,00,000	Profit and loss account (Credit balance)	1,25,000	Share Premium account	50,000																
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CO2	K3	12b.	<p>Excel limited made the following issues of debentures on 1.4.2020</p> <ol style="list-style-type: none"> 200 10% debentures of Rs.100 each to settle a creditor who supplied a machine on credit some time ago at a price of Rs.18,000 300 10% debentures of Rs.100 each for cash at a discount of 5% 1,000 10% debentures of Rs.100 each to the bankers as collateral security for a loan of Rs.80,000 <p>All the above issues are redeemable at par. Pass journal entries to record the above in the books of the company.</p>																												
CO3	K4	13a.	<p>From the following balances, prepare the balance sheet of a company in the prescribed format.</p> <table> <tr> <td>Goodwill</td> <td style="text-align: right;">1,50,000</td> </tr> <tr> <td>Investments</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Share capital</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>Reserves</td> <td style="text-align: right;">1,10,000</td> </tr> <tr> <td>Securities premium</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>Preliminary expenses</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Profit and Loss a/c (Cr.)</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Debentures</td> <td style="text-align: right;">2,50,000</td> </tr> <tr> <td>Other fixed assets</td> <td style="text-align: right;">4,70,000</td> </tr> <tr> <td>Stock</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Bank balance</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td>Unsecured loan</td> <td style="text-align: right;">65,000</td> </tr> <tr> <td>Sundry creditors</td> <td style="text-align: right;">35,000</td> </tr> </table> <p style="text-align: center;">(OR)</p>	Goodwill	1,50,000	Investments	2,00,000	Share capital	5,00,000	Reserves	1,10,000	Securities premium	15,000	Preliminary expenses	10,000	Profit and Loss a/c (Cr.)	25,000	Debentures	2,50,000	Other fixed assets	4,70,000	Stock	80,000	Debtors	60,000	Bank balance	30,000	Unsecured loan	65,000	Sundry creditors	35,000
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CO3	K4	13b.	<p>From the following information, Prepare Statement of profit and loss for the year ended 31.12.2019 and also calculate profit or loss of the company.</p> <table> <tr> <td>Revenue from operations</td> <td style="text-align: right;">Rs.3,25,000</td> </tr> <tr> <td>Other income</td> <td style="text-align: right;">Rs. 3,150</td> </tr> <tr> <td>Cost of Goods sold</td> <td style="text-align: right;">Rs. 58,500</td> </tr> <tr> <td>Employee benefit expenses</td> <td style="text-align: right;">Rs. 99,000</td> </tr> <tr> <td>Depreciation and amortisation expenses</td> <td style="text-align: right;">Rs. 28,785</td> </tr> <tr> <td>Other expenses</td> <td style="text-align: right;">Rs. 33,590</td> </tr> <tr> <td>Current year tax</td> <td style="text-align: right;">Rs. 8,000</td> </tr> </table>	Revenue from operations	Rs.3,25,000	Other income	Rs. 3,150	Cost of Goods sold	Rs. 58,500	Employee benefit expenses	Rs. 99,000	Depreciation and amortisation expenses	Rs. 28,785	Other expenses	Rs. 33,590	Current year tax	Rs. 8,000														
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CO4	K4	14a.	<p>Calculate the amount of goodwill on the basis of three years purchase of the last five years average profits. The profits for the last five years are</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2019</td> <td style="text-align: right;">4,800</td> </tr> <tr> <td style="text-align: center;">2020</td> <td style="text-align: right;">7,200</td> </tr> <tr> <td style="text-align: center;">2021</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: right;">3,000</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: right;">5,000</td> </tr> </tbody> </table> <p style="text-align: center;">(OR)</p>	Year	Rs.	2019	4,800	2020	7,200	2021	10,000	2022	3,000	2023	5,000																
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CO4	K4	14b.	<p>From the following information calculate the value per equity share</p> <table> <tr> <td>5,000 8% equity shares of Rs.100 each</td> <td style="text-align: right;">Rs. 5,00,000</td> </tr> <tr> <td>75,000 equity shares of Rs.10 each, Rs.8 per share paid up</td> <td style="text-align: right;">6,00,000</td> </tr> <tr> <td>Expected profits per year before tax</td> <td style="text-align: right;">2,80,000</td> </tr> <tr> <td>Rate of tax</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>Transfer to General reserve every year</td> <td style="text-align: right;">20% of the profit</td> </tr> <tr> <td>Normal rate of earnings</td> <td style="text-align: right;">10%</td> </tr> </table>	5,000 8% equity shares of Rs.100 each	Rs. 5,00,000	75,000 equity shares of Rs.10 each, Rs.8 per share paid up	6,00,000	Expected profits per year before tax	2,80,000	Rate of tax	50%	Transfer to General reserve every year	20% of the profit	Normal rate of earnings	10%																
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CO5	K5	15a.	Show the various objectives of Accounting Standards. (OR)
CO5	K5	15b.	Discuss in detail valuation of inventories under AS – 2.

Course Outcome	Bloom's K-level	Q. No.	SECTION – C (5 X 8 = 40 Marks) Answer ALL Questions choosing either (a) or (b)
CO1	K3	16a.	Siva Company Limited issued 5,000 equity shares of Rs.10 each at a premium of Rs.4 per share. The money is payable as under Rs.1 on application, Rs.6 (including premium) on allotment, Rs.3 on first call and Rs.4 on final call. All the shares were duly subscribed but on 1,000 shares, the first call was not realized and in respect of 1,500 shares, the final call was not realized. These shares were forfeited and reissued at Rs.9 per share. Pass necessary journal entries to record these transactions. (OR)
CO1	K3	16b.	Lakshmi Limited had an authorized capital of Rs.3,00,000 divided into shares of Rs.10 each. It offered 4,000 shares @ Rs.10 each at premium of Rs.2 on the following terms Rs. 2 per share on application Rs. 5 per share on allotment, (including Rs.2 premium) Rs.3 per share on first call and Rs.2 per share on final call. Applications were received for 6,000 shares. Applicants for 2,000 shares were rejected. All the money due on shares were fully received. Give the necessary journal entries.
CO2	K4	17a.	Sudha Limited offered 20,000, 10% debentures of Rs.10 each at a premium of 5% were payable as under: On Application Rs.3.00 per Debenture On Allotment Rs.4.50 Per Debenture On I and Final Call Rs.3.00 Per Debenture Public applied for 22,000 Debentures. The Directors allotted 20,000 debentures and rejected the remaining applications. All moneys due were fully received. Give Journal entries. (OR)
CO2	K4	17b.	On 1.4.2020, Rama limited issued 2,500 8% debentures of Rs.100 each at 5% discount. Holders of the debentures have option to convert their holdings into equity shares of Rs.100 each at a premium of Rs.25 per share at any time within 3 years. On 31.3.2021, holders of 500 debentures notified their intention to exercise the option. Show the necessary journal entries in the company's books relating to issue and conversion of the debentures.
CO3	K4	18a.	The following ledger balances were extracted from the books of Varun Ltd. as on 31.3.2019. Land & Building Rs.2,00,000; 12% Debenture Rs.2,00,000; share capital Rs.10,00,000 (equity shares of Rs.10 each fully paid up); Plant and Machinery Rs.8,00,000; Goodwill Rs.2,00,000; Investment in shares of Raja Ltd.Rs.2,00,000; General reserve Rs.1,95,000; Stock in trade Rs.1,00,000; Bills Receivable Rs.50,000; Debtors Rs.1,50,000; Creditors Rs.1,00,000; Bank loan (unsecured) Rs.1,00,000; Provision for tax Rs.50,000; Proposed dividend Rs.55,000. Show the Balance sheet of the Company as per Revised Schedule VI, Part I of the companies Act. (OR)
CO3	K4	18b.	The following balances have been extracted from the books of Rama Ltd. as on 31 st March 2020 Share Capital Rs.10,00,000 12% Debentures Rs. 5,00,000 Proposed dividend Rs. 50,000 Machinery Rs. 9,00,000 Work-in-Progress Rs. 4,00,000 Securities Premium Rs. 1,00,000 Trade Payables (Creditors) Rs. 2,00,000 Government Bonds Rs. 4,00,000 Cash and Cash equivalents Rs. 1,00,000 Surplus i.e. balance in statement of profit and loss (Dr.) Rs. 50,000

			Compute the Balance Sheet of the company as per Revised Schedule VI, Part I of the Companies Act.																								
CO4	K5	19a.	<p>A firm earned net profits during the last three years as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Rs.</td> </tr> <tr> <td style="text-align: right;">I Year</td> <td style="text-align: right;">36,000</td> </tr> <tr> <td style="text-align: right;">II Year</td> <td style="text-align: right;">40,000</td> </tr> <tr> <td style="text-align: right;">III Year</td> <td style="text-align: right;">44,000</td> </tr> </table> <p>The capital investment of the firm is Rs.1,00,000 Normal rate of return 10% Calculate the value of goodwill on the basis of 3 years purchase of super profit.</p> <p style="text-align: center;">(OR)</p>	Rs.		I Year	36,000	II Year	40,000	III Year	44,000																
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CO4	K5	19b.	<p>The following is the balance sheet of NSC Ltd. as on 31st Dec. 2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Liabilities</th> <th style="text-align: center;">Rs.</th> <th style="text-align: center;">Assets</th> <th style="text-align: center;">Rs.</th> </tr> </thead> <tbody> <tr> <td>4,000 10% Pref. shares of Rs.100 each</td> <td style="text-align: right;">4,00,000</td> <td>Sundry Assets at Book value</td> <td style="text-align: right;">12,00,000</td> </tr> <tr> <td>60,000 equity share of Rs.10 each</td> <td style="text-align: right;">6,00,000</td> <td></td> <td></td> </tr> <tr> <td>Bills Payable</td> <td style="text-align: right;">50,000</td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">1,50,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">12,00,000</td> <td></td> <td style="text-align: right;">12,00,000</td> </tr> </tbody> </table> <p>The Market value of 60% of the assets is estimated to be 15% more than the book value and that of the remaining 40% at 10% less than the book value. There is an unrecorded liability of Rs.10,000. Find the value of each equity share (it is to be assumed that preference shares have no prior claim as to payment of dividend or to repayment of capital.</p>	Liabilities	Rs.	Assets	Rs.	4,000 10% Pref. shares of Rs.100 each	4,00,000	Sundry Assets at Book value	12,00,000	60,000 equity share of Rs.10 each	6,00,000			Bills Payable	50,000			Creditors	1,50,000				12,00,000		12,00,000
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CO5	K5	20a.	Discuss the significance of accounting standards. (OR)																								
CO5	K5	20b.	Evaluate the consolidated financial statements.																								