

- 1) Instructions to Candidates:- PLEASE CHECK WHETHER YOU HAVE GOT THE CORRECT AND COMPLETE QUESTION PAPER with all pages printed. INFORM THE SUPERVISOR IMMEDIATELY IF THERE IS ANY ERROR
- 2) All Questions are Compulsory carrying 15 marks each.
- 3) In all FIVE Questions are to be attempted i.e. Q 1 to Q 5 carrying 15 marks each
- 4) Use of simple 12-digit non-programmable calculator is allowed.
- 5) Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.

Q 1A (8 marks) Match the following Columns and rewrite your matched pairs:-
(Reasons are not required) (Do Not Re-write the questions, Write all 10 sub-question nos. in same order 12345678910, but Answer any 8 out of the following 10 sub-questions):-

	Column A		Column B
1	Bonus shares	a	Under Insurance
2	Capital Redemption Reserve A/c	b	Credited when shares or debentures are issued at a premium
3	Debenture Redemption Reserve A/c	c	Divisible Profit
4	Securities Premium A/c	d	Convertible into equity shares.
5	F1 in tally	e	Offered to Existing equity share holders
6	Alt + F1 in tally	f	To select a Company
7	Profit & Loss A/c	g	may be utilised <u>only</u> for issuing fully paid bonus shares
8	Claim is less than loss of stock	h	Created when redemption of debentures is out of profits.
9	Partly paid up preference shares	i	To shut down a Company
10	Fully convertible debentures	j	Final call not made or Calls in arrears

Q 1B (7 marks) State true or false (Reasons are not required) (Do Not Re-write the questions, Write all 10 sub-question nos. in same order 12345678910, but Answer any 7 out of the following 10 sub-questions):-

- 1) Partly paid preference shares can be redeemed immediately.
- 2) Loss of stock by fire is calculated as stock on date of fire minus salvaged goods.
- 3) If the rate of gross profit is 25% on cost, it will be equal to 33 1/3 % on sales.
- 4) Unrecorded purchases should be added to purchases.
- 5) Securities premium Account may be utilised for issuing fully paid bonus shares.
- 6) When preference shares are redeemed , the authorised share capital of the company gets reduced automatically.
- 7) Stock of normal goods for the purpose of insurance claim should be valued at market price.
- 8) In redemption of debentures, sinking fund account always shows credit balance.
- 9) Interest on sinking fund investments must be transferred to the credit of the Profit & Loss account.
- 10) Average clause in insurance claim is applicable in case of over insurance

On 24th Nov, 2015, the premises and stock of a firm was partly destroyed by fire but the accounting records were saved from which the following particulars are available.

Particulars	Rs.
Stock on 1 st April, 2014	88,200
Stock on 1 st April, 2015	98,280
Purchases for the year 2014-15	4,77,600
Sales for the year 2014-15	5,84,400
Purchases from 1-4-2015 to 24-11-2015	1,94,400
Sales from 1-4-2015 to 24-11-2015	2,77,500

The stock salvaged was Rs.4,344. Stock is insured for Rs.50,000. The gross profit ratio for the year 2014-15 is expected to remain unchanged for the current year 2015-16. There were no sales returns or purchase returns for both the years

Prepare a Statement showing the calculation of the amount of claim for loss of stock by fire, applying average clause if required.

OR Q2 (15 marks)

A fire broke out in the godown of Rishigandh Trading Co. Ltd. , on 21th March, 2015. The following information is available :-

Particulars	Rs.
Stock on 31 st March, 2014	36,000
Sundry Debtors on 31 st March, 2014	96,000
Sundry Debtors on 21 st March, 2015	72,000
Cash received from debtors from 1 st April , 2014 to 21 st March, 2015	3,45,600
Sales from 1 st April , 2014 to 21 st March, 2015	?
Sundry Creditors on 31 st March, 2014	40,000
Sundry Creditors on 21 st March, 2015	50,000
Cash paid to Creditors from 1 st April , 2014 to 21 st March, 2015	2,90,000
Purchases from 1 st April , 2014 to 21 st March, 2015	?

All sales and purchases are on credit basis, and there were no sales returns or purchase returns.

Rate of Gross Profit on sales is estimated to be 25%. The stock salvaged was Rs.4,800. Stock is insured for Rs.1,00,000.

Prepare a Statement showing the calculation of the amount of claim for loss of stock by fire, applying average clause if required.

Q3 (15 marks) Ruby Traders Ltd. has the following balance sheet as on 31st March, 2015.

Liabilities	Rs.	Assets	Rs.
30,000 Equity shares of Rs.10 each fully paid up	3,00,000	Fixed Assets	4,00,000
15,000 9% Preference shares of Rs.10 each fully paid up	1,50,000	Stock	30,000
Securities Premium	5,000	Sundry Debtors	1,40,000
Profit & Loss A/c	1,00,000	Bank Balance	1,40,000
Sundry Creditors	1,55,000		
Total	7,10,000	Total	7,10,000

The preference shares were due for redemption on 1/4/2015 at 10% premium. The company decided to redeem all the preference shares at 10% premium on the same date. For this purpose, 5,000 Equity shares of Rs.10 each were issued for cash at 20% premium, which was subscribed in full. The company thereafter redeemed all the preference shares by payment in cash, complying with all requirements of law.

You are required to :- a) pass necessary journal entries in the books of company to record above transactions. And b) Also prepare the Cash/ Bank account

OR Q3 (15 marks) The summarised balance sheet of Rainbow brothers ltd. as on 31st March, 2015 was as follows.

Liabilities	Rs.	Assets	Rs.
25,000 Equity shares of Rs. 10 each fully paid up	2,50,000	Sundry Assets	5,80,000
20,000 11% Preference shares of Rs.10 each fully paid up	2,00,000	Cash at Bank	70,000
Profit & Loss A/c	50,000		
Sundry creditors	1,50,000		
Total	6,50,000	Total	6,50,000

The preference shares were due for redemption on 1/4/2015 at 10% premium. The company decided to redeem all the preference shares at 10% premium on the same date. For this purpose, 15,000 Equity shares of Rs.10 each were issued for cash at 20% premium, which was subscribed in full. The company thereafter redeemed all the preference shares by payment in cash, complying with all requirements of law.

You are required to :- a) pass necessary journal entries in the books of company to record above transactions. And b) Also prepare the Cash/ Bank account

Q4 (15 marks) The balance sheet of D ltd. as on 31st March, 2015 showed that 20,000 10% debentures of Rs.100 each were due for redemption on 1st April, 2015 at a premium of 4%. The balance sheet also showed a bank balance of Rs. 3,00,000, and a Debenture Redemption Reserve of Rs. 2,40,000. According to the agreed terms of redemption, the debenture-holders had the option to take redemption either by payment in cash or by allotment of 10% preference shares of Rs.100 each at Rs.130 per share or by allotment of 11% New debentures of Rs.100 each at Rs.96 per debenture.

- Holders of 8,000 debentures opted for conversion into preference shares,
- holders of 9,600 opted for allotment of 11% New debentures
- and the holders of remaining 2,400 debentures opted for cash payment

The redemption was duly carried out by the company

You are required to :- a) pass necessary journal entries in the books of company to record above transactions. And b) Also prepare the Cash/ Bank account

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OR Q4 (15 marks) Mantra ltd had issued 4,000 11% Debentures of Rs.100 each redeemable on 1st April, 2015 at a premium of 10%. The balance sheet of the company. as on 31st March, 2015 also showed a bank balance of Rs. 2,00,000, and a Debenture Redemption Reserve of Rs. 1,00,000. According to the agreed terms of redemption ,the company offered three options to Debenture holders as follows:

Option 1. 12% Preference shares of Rs.10 at Rs.12 per share

Option 2. 12% New Debentures of Rs.100 at par.

Option 3. Redemption in cash.

The options were accepted as under: -1st Option by holders of 1,500 debentures.

2nd Option by holders of 1,500 debentures.

3rd Option by holders of 1,000 debentures.

The redemption was duly carried out by the company.

You are required to :- a) pass necessary journal entries in the books of company to record above transactions. And b) Also prepare the Cash/ Bank account

Q.5A) (08 MARKS) Explain the steps in the working of a Sinking Fund for Redemption of Debentures , using imaginary figures

Q.5B) (07 MARKS) What is under insurance and over insurance ? Explain how it affects the amount of insurance claim, using imaginary figures.

OR Q5 (15 marks) Write short Notes on (any Three) :-

1. Average clause
 2. Capital Redemption Reserve
 3. Purchase Order and Sales Order Processing in Tally
 4. Debenture Redemption Reserve
 5. Sinking Fund Investment Account
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