

Instructions to Candidates:

- 1) All Questions are Compulsory carrying 15 marks each.
- 2) Question No. 1 is Objective Compulsory
- 3) Question No. 2 carries internal option , i.e. Question No. 2 of 15 marks OR Question No. 2 of 15 marks , out of which Any One is to be attempted
- 4) Question No. 3 carries internal option , i.e. Question No. 3 of 15 marks OR Question No. 3 of 15 marks , out of which Any One is to be attempted
- 5) Question No. 4 carries internal option , i.e. Question No. 4 of 15 marks OR Question No. 4 of 15 marks , out of which Any One is to be attempted.
- 6) Question No. 5 carries internal option , i.e. Question No. 5 of 15 marks (8 + 7 marks) OR Question No. 5 of 15 marks , out of which Any One is to be attempted
- 7) In all **Five** Questions are to be attempted.
- 8) Use of simple 12-digit non-programmable calculator is allowed.
- 9) Possession or use of Mobile phones during the Examination is strictly prohibited and will amount to copying.

Q1 (15 marks) Objective: (1A= 8 marks plus 1B= 7 marks):

Q1 (A) (8 MARKS) Fill in the blanks (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):-

1. Divisible profit includes the following _____
a. General reserve b..Capital Reserve c. Security Premium
2. Credit purchases should be ascertained from _____
a. Creditors A/c b. Debtors a/c c. P & L A/c
3. For the redemption of debenture, sinking fund is created out of _____
a. Accumulated profit b. Current year profit c. Share capital
4. The main purpose of budgeting is to _____
a. Control the expenditure b. control the income c. increase the expenditure
5. To delete the ledger _____ combination key is press in allocation mode
a. ALT + A b. ALT + C c. ALT + D
6. MIS stands for _____
a. Multi-Integrated Software b. Management Information System
c. Modernised Internet Software
7. To change the period in tally software _____ key Combination use.
a. Alt +F1 b. Alt + F2 c. Alt + F3
8. Insurance premium must be charged to _____
a. Trading a/c b. P & L A/c c Balance Sheet
9. Capital Redemption reserve is created out of _____
a. Security premium a/c b. Share forfeited a/c c. divisible Profit
10. Memorandum trading account is prepared from _____
a. Date of fire to end of the year b. first day of the year to end of the year
c. First day of the year to date of fire

Q1 (B) (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. MIS improves business performance
2. Re-order level is the level of stock when the fresh purchase order should be placed .

3. Goods distributed as free samples must be recorded at selling price in the Trading account.
4. Purchase order is the Order placed by seller of goods.
5. Abnormal goods are goods which are not likely to be sold at the regular gross profit rate
6. A company can redeem only fully paid preference shares
7. A debentureholder is an owner of company
8. The balance of debenture redemption fund investment a/c must transferred to debenture redemption fund A/c at the end of every year.
9. In case of under- insurance, the claim amount will be more than the amount of stock lost
10. Loss of stock by fire is calculated as stock on date of fire minus salvaged goods.

Q 2 (15 marks) . A fire occurred on 20th Dec., 2016 in the premises of Dev Ltd . The following particulars are available:

Particulars	2013-14 Year	2014-15 Year	2015-16 Year	Up to the date of fire (20/12/2016)
Opening Stock	1,50,000	?	?	?
Purchase Less Return	3,94,800	4,24,400	4,90,000	4,10,000
Sales less Return	4,80,000	5,60,000	6,40,000	5,40,000
Closing Stock	1,80,000	1,90,000	2,00,000	?
Gross Profit Ratio on Sales	?	?	?	?

The current year's Gross profit ratio should be estimated on the basis of average of last three completed years' gross profit ratios

The salvage is valued at Rs.25,000/-.

The stock was insured for a policy amount of Rs. 2,20,000

Calculate the amount of claim to be lodged with the insurance company for loss of stock

OR

Q 2 (15 marks) .A fire occurred on 15th Aug., 2016 in the premises of Gan Ltd. The following particulars are available .Calculate the amount of claim to be lodged with the insurance company for loss of stock:

Particulars	Rs.
Stock at cost as on 1 st April, 2014	45,000
Stock at cost on 31 st March , 2015	?
Purchases during 2014-15	82,000
Sales during 2014-15	1,10,000
Stock at cost as on 1 st April ,2015	50,000
Stock at cost on 31 st March ,2016	?
Purchases during 2015-16	1,00,000
Sales during 2015-16	1,40,000
Stock at cost as on 1 st April ,2016	52,000
Purchases from 1 st April 2016 to date of fire	75,500
Sales from 1 st April 2016 to date of fire	1,25,000

The current year's Gross profit ratio should be estimated on the basis of average of last two completed years' gross profit ratios

The salvage is valued at Rs. 8,000/-.

The stock was insured for a policy amount of Rs. 30,000

Calculate the amount of claim to be lodged with the insurance company for loss of stock

PTO

Q 3 (15 marks) The following is the summarized Balance sheet of Jayakanth Ltd. as on 31st March 2016

Liabilities	Amt.(Rs.)	Assets	Amt (Rs.)
Share Capital		Fixed Assets	6,66,000
Issued:		Investments	1,32,000
5000 Equity Shares of Rs.100 each	5,00,000	Bank balance	1,40,000
3000 14% Preference Shares of Rs. 100 each Fully paid up	3,00,000	Other Current Assets	1,52,000
Reserve & surplus			
General reserve	1,30,000		
P & L A/c	1,00,000		
Creditor	60,000		
Total	10,90,000	Total	10,90,000

The preference shares were redeemable on 1st April 2016 at a premium of 10%.

For this purpose, the company sold off all the investments at a profit of Rs.20,000 , and issued 1000 Equity shares of Rs.100 Each for cash at par.

The company also issued 1000 Debentures of Rs.100 Each for cash at par. The redemption is duly carried out.

You are required to show journal entries recording the above transactions.

Also find out the closing bank balance , assuming that all receipts and payments are through bank account.

OR

Q 3 (15 marks) The summarized balance sheet of R & D Ltd. as on 31st March 2016 was as follows.

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

The preference shares were due for redemption on 1/4/2016 at 10% Premium.

The company decided to redeem all the preference shares at 10% premium on the same date.

For this purpose, 10,000 Equity shares of Rs10 Each were issued for cash at 20% premium , which was subscribed in full.

The company also issued 1000 Debentures of Rs.100 Each for cash at par. The redemption is duly carried out.

You are required to show journal entries recording the above transactions.

Also find out the closing bank balance , assuming that all receipts and payments are through bank account.

Q 4 (15 marks) Raghav & Co. Ltd. had issued 10,000 12% Debentures of Rs. 100 each redeemable on 31st Dec., 2016 at Premium of 5%. The Company had a balance of Rs. 4,00,000 on 31st Dec., 2016 in the Debenture Redemption Reserve account

The Company offered 3 options to Debenture holders as follows.

- A) Equivalent Conversion into 15% Preference Shares of Rs.10 each issued at Rs.12
- B) Equivalent Conversion into 9% Debentures of Rs.100 each issued at Rs.90.
- C) Redemption in cash .

The options were accepted as under:

- A) Option A by holders of 3,000 debentures
- B) Option B by holders of 3,000 debentures
- C) Option C by holders of 4,000 debentures

Pass Journal Entries in the books of the Company to record the redemption
OR

Q 4 (15 marks)

- D Ltd. issued 4,500 10% Debentures of Rs. 100 each for cash at par on 1/4/2012.
- The Debentures were redeemable in cash at par after 4 years on 31/3/2016
- The Company set up a Cumulative Sinking Fund for the redemption of the Debentures .
- Annual appropriation of Rs. 1,00,000 was made on 31st March every year beginning from 31/3/2013
- The Fund amounts including interest received were invested on 31st March every year in at par in 8 % Investments.
- Interest was received annually on 31st March every year.
- The Fund investments were sold for cash on 31/3/2016 at book value, i.e. at no profit no loss, and the Debenture redemption was duly completed.

Prepare the following accounts for the years 2012-13, 2013-14, 2014-15 and 2015-16.

- a) Debenture Redemption Fund Account
- b) Debenture Redemption Fund Investments Account
- c) Debentures Account

Q5 A) (8 marks) What is under insurance & over insurance? Explain how it affects the amount insurance claim using imaginary figures.

Q5 B) (7 marks) Explain Securities Premium Account and Capital Redemption Reserve Account .

OR

Q 5 (15 marks). Write Short Notes on (any Three only)

1. Average Clause in fire insurance claim
2. Premium on redemption of Preference shares
3. Sales Order processing in Tally.
4. MIS
5. Redemption of Debentures out of profits