

Figures to the right indicate Marks.

Q.1. (a) Fill in the blanks. (Any 8)

(8)

1. Shareholders' funds consist of \_\_\_\_\_. (Reserves & Surplus / Debentures)
2. IPO stands for \_\_\_\_\_. (Initial Public offering/ initial planning offer)
3. Sweat shares are issued to \_\_\_\_\_. (Employees/ Equity share holders.)
4. Debentures and bonds are \_\_\_\_\_ (similar/ different)
5. The share comes into existence at the time of \_\_\_\_\_. (Call/ application)
6. Bank overdraft is \_\_\_\_\_ (Current Liability/ Current Asset)
7. Depreciation is charged on \_\_\_\_\_ fixed assets. (Tangible/ Intangible)
8. Purchase and sale of own debentures is \_\_\_\_\_ (permitted/ not permitted)
9. Fixed return bearing investment is \_\_\_\_\_. (Debentures/ shares)
10. The term reserves mean \_\_\_\_\_ funds. (Owned/ Borrowed)

Q.1.(b) State whether the following statements are true or false. (Any 7)

(7)

1. Equity share capital and preference share capital means the same.
2. Working Capital= Current Assets+ Current Liability.
3. CPU means core process unit
4. Issue of debentures means issuing new debentures at premium.
5. Following all Accounting standards is not compulsory.
6. Share capital is a borrowed fund.
7. Loss on sale of asset is operating expense.
8. Goodwill is tangible asset.
9. Ex-interest price includes interest accrued.
10. The brokerage is payable on face value of investments.

Q.2. (a) From the following information pass the journal entries regarding issue of shares in the books of "Parvati Company" and prepare ledger of Share Application and Bank account. (15)

"Parvati company ltd" issued 30000 shares of Rs.10 each payable as follows.

Rs. 2 on application

Rs. 3 on allotment

Rs. 3 on first call

Rs. 2 on final call

The company received 20000 shares. All the shares were allotted. All the calls were made except the final call. All the money due was received except the first call on 1000 shares.

Q.2. (a) Shradha enterprises issues 8000 10% debentures of Rs. 100 each.

(8)

Pass the journal entries regarding issue of debentures under the following situations.

1. The debentures are issued at par and redeemable at par.
2. They are issued at discount of 5 % and redeemable at par.
3. They are issued at premium of 5% and redeemable at par.
4. They are issued at a discount of 10% but redeemable at a premium of 5%
5. They are issued at par but redeemable at 10% premium.

Q.2.(b) Explain necessities of valuation of shares.

(7)

Q.3. Prepare a vertical Balance Sheet of Krish Ltd. from the following information for the year ending 31<sup>st</sup> march 2010.

(15)

Liabilities	Amt	Assets	Amt
Equity Share Capital	1600000	Fixed Assets	1600000
Preference Share Capital	1000000	Investment	400000
General reserve	400000	Debtors	800000
Secured Loan	200000	Stock	200000
Sundry Creditors	320000	Advance payments	200000
Bills Payable	80000	Cash	200000
		Bank	180000
		Discount on issue of shares	20000
<b>Total</b>	<b>3600000</b>	<b>Total</b>	<b>3600000</b>

OR

Q.3. From the following particulars prepare a vertical income statement of Rupa

Company Ltd for the year ending 31<sup>st</sup> March 2010

(15)

Particulars	(Amt)
Opening stock	1200000
Purchases	12840000
Interest paid on Debentures	600000
Depreciation on Machinery	120000
Depreciation on Furniture	60000
Administrative Expenses	1764000

Selling Expenses	3012000
Carriage outward	1260000
Loss by fire	60000
Wages	1200000
Provision for tax	1740000
Sales	24000000
Closing stock	1440000
Dividend received	156000

**Q.4.** Fortune & Company Ltd has the following information.

**(15)**

Paid up capital: Rs. 20000, Free reserves: Rs. 48000, No of shares: 500

Face value per share: Rs. 10.

Calculate: (a) number of shares that can be bought back at par.

(b) Number of shares that can be bought back at an offer price of Rs. 50 per share.

Pass the journal entries for the same.

**OR**

**Q.4. (a)** Ms. Sayli purchased 2000 shares of Sahil Company Ltd at the rate of Rs. 60 each

**(8)**

on 1<sup>st</sup> July 2012

Transfer charges were 0.5%

On 1<sup>st</sup> December 2012 the company gave bonus shares to Ms. Sayli in the ratio 2:5.

On 21<sup>st</sup> December 2012 800 shares of the company were sold at the rate of Rs. 45 per share.

Financial year ends on 31<sup>st</sup> December of every year.

Calculate the cost of investment and Sale proceeds and determine profit or loss on sale of investment.

**Q.4. (b)** Mrs. Siyara purchased 4000 equity shares of Rs. 100 each of a ltd company for Rs. 500000.

The company gave him one bonus share for every share held.

**(7)**

After the bonus issue, the price of share was quoted at Rs. 95 each.

Calculate the cost of investment and show sale proceeds to determine profit or loss.

**Q.5. Short notes: (any 3 /5)**

**(15)**

1. Explain Goodwill and factors affecting goodwill

2. Types of investments

3. Non- Operating expenses.

4. Current Assets

5. Distinguish between shares and debentures.