

Instructions to Candidates:- PLEASE CHECK WHETHER YOU HAVE GOT THE CORRECT AND COMPLETE QUESTION PAPER . INFORM THE SUPERVISOR IMMEDIATELY IF THERE IS ANY ERROR

- 1) All Questions are Compulsory carrying 15 marks each.
- 2) Question No. 1 is Objective 15 marks.
- 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 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.

Q 1A (8 marks) Match the following (Do Not Re-write the questions, Write all 10 sub-question nos. from Column A in same order 12345678910, and write matched answer from Column B for any 8):-

Group "A"	Group "B"
1. Average clause	a. To select purchase order voucher type
2. Abnormal goods	b. Divisible profit
3. Capital redemption reserve	c. Discourages under insurance
4. Debenture redemption reserve	d. Damaged goods
5. Premium on redemption of preference shares	e. Non-current liability
6. Paid-up Share Capital	f. To select sales order voucher type
7. General Reserve	g. Can be utilised for issue of bonus shares
8. Debentures	h. Loss to company
9. Alt + F5	i. Created when redemption out of profits
10. Alt + F4	j. Shown under Share Capital

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. Stock for the purpose of insurance claim should be at cost.
2. Average clause has no effect on calculation of claim.
3. Own debentures A/c is an asset of the Company.
4. Dividend equalisation reserve is a divisible profit.
5. Securities Premium A/c balance can be utilised for issuing fully paid bonus shares.

6. Interest paid on Debentures is an expense of the Company.
7. Sinking fund investment account always shows debit balance.
8. Debenture redemption reserve balance must be transferred to General Reserve when all the debentures are redeemed
9. Profit on the cancellation of own debentures is revenue profit.
10. Purchase order is issued by buyer to seller

Q 2)(15 marks) The following information is made available from the records of Badkismat Brothers. whose godown was destroyed by fire on 28th Feb, 2015. The salvage was Rs.30,000.

Particulars	Rs.
Stock on 1 st April, 2013	1,80,000
Stock on 1 st April, 2014	2,64,000
Sales during 1 st April, 2013 to 31 st March, 2014	10,84,000
Purchases during 1 st April, 2013 to 31 st March, 2014	8,96,000
Return outward in August, 2013	8,000
Return Inward in October, 2013	84,000
Sales from 1 st April, 2014 to 28 th Feb, 2015	8,00,000
Purchases from 1 st April, 2014 to 28 th Feb, 2015	6,40,000
Return outwards in Dec, 2014	40,000

The stocks on 1st April, 2013 were valued on 10 % below cost. However this practice was changed during the year and the stocks at 31st March, 2014 were valued at 10% above the cost.

Calculate the amount of claim, assuming that the stock was fully insured

OR Q 2 (15 marks) On 2nd November 2014, the warehouse of M/s Badluck Traders was destroyed by fire. The books and records were saved and the following particulars were ascertained.

Particulars	Rs.
Stock on 31 st March, 2013	61,200
Stock on 31 st March, 2014	54,000
Sales for the year ending 31 st March, 2014	3,60,000
Sales for 1 st April, 2014 to 2 nd Nov, 2014	3,00,000
Purchases for the year ending 31 st March, 2014	2,44,000
Purchases for 1 st April, 2014 to 2 nd Nov, 2014	2,62,000

The stocks were always valued at 90 % of cost. The stock saved from fire was worth Rs.22,000

The amount of policy was Rs.70,000. Calculate the claim amount.

Q3 (15 marks) The following is the Balance sheet of PPP Ltd. as at 31st March, 2014

Balance Sheet Of PPP Ltd. As At 31st March, 2014

Liabilities	Rs.	Assets	Rs.
40,000 Equity shares of Rs.10 each	4,00,000	Land & Building	6,40,000
4,000 Preference shares of Rs.100 each	4,00,000	Furniture	1,50,000
Securities Premium	80,000	Stock	1,50,000
Profit & Loss A/c	1,10,000	Sundry Debtors	1,00,000
General Reserve	90,000	Bank Balance	3,60,000
Sundry Creditors	3,20,000		
Total	14,00,000	Total	14,00,000

The directors decided to redeem the preference shares at a premium 10 %. The company decided to issue equity shares of Rs.10 each at par for such amount as was necessary for the purpose after utilising the available resources to maximum extent.

You are required to pass necessary journal entries to record above transactions.

OR Q3 (15 marks) Following is the balance sheet extract of M/S ZPP Ltd. as at 31st March, 2014

Particulars	Rs.
4,000 Equity shares of Rs.100 each fully paid up	4,00,000
2,000 11% Redeemable preference shares of Rs.100 each	4,00,000
Profit & Loss A/c (debit balance)	10,000
General Reserves	2,10,000
Securities Premium	26,000

As per the agreement with the preference share holders, the directors decided to redeem the preference shares on 1st April, 2014 at a premium of 10 %. For the purpose of redemption, the board of directors decided to issue 2,000 equity shares of Rs.100 each at a premium of 10 %. And utilise revenue reserves as required.

Pass necessary journal entries in the books of company.

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Q4 (15 marks) M/s. CPP ltd. had issued 5,000 12% debentures of Rs.100 each redeemable on 31st March, 2014 at par.

The company offered three options to the debenture holders as under:

- a) 14 % preference shares of Rs.10 each at Rs.12
- b) 15 % debentures of Rs.100 each at par
- c) Redemption in cash

The options were accepted as under:

Option (a) by holders of 1,500 debentures

Option (b) by holders of 1,500 debentures

Option (c) by holders of 2,000 debentures

The redemption was duly carried out by the company.

Pass journal entries in the books of company to record above transactions.

OR Q4 (15 marks) M/s DPP ltd. had issued 50,000 10 % debentures of Rs.100 each redeemable on 1st April , 2014 at a premium of 5 % and offered the holders the following options.

1. To accept 12 % Preference shares of Rs.20 each at Rs.25 per share.
2. To accept 11 % New Debentures of Rs. 100 each at Rs.96 per debenture.
3. To have their holding redeemed for cash.

The options were accepted as under.

I). Holders of 25,000 debentures accepted the option 1.

II) Holders of 20,000 debentures accepted the option 2.

III) Remaining debenture holders accepted the proposal 3.

The redemption was duly carried out by the company.

Pass journal entries in the books of the company to record the above transactions.

Q5 (A) (8 marks) Explain the provision of Companies Act, 1956 or 2013 regarding redemption of preference shares.

Q5 (B) (7 marks) What are abnormal goods in the context of fire insurance claim? What is the accounting treatment of such goods while calculating claim amount?

OR Q5 (15 marks) Write short notes on Any Three out of Five (5 marks each)

- a) Divisible and non-divisible profits
- b) Average clause
- c) Debenture redemption reserve
- d) Purchase order & Sales order
- e) Sinking Fund for Redemption of Debentures