

Duration: - 2 ½ Hours

E213A23FA

Marks 75

Note: -

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Use of a simple calculator is allowed.

**Q.1. (a) Choose the correct options and rewrite the given sentences. (Any 8)**

1. Rate of profit estimated or expected on capital employed. (3m)  
 a. Super Profits b. Average Profits c. Normal Rate of Return d. Risk Factor  
CO1 (R)
2. NRR is \_\_\_\_\_.  
 a. Normal rate of return b. Normal Range of rate c. Normal rate of range d. Normal return Rate  
CO1 (R)
3. X Ltd. Issued 1,000 equity shares of Rs. 100 each at 120 /- per share. The amount of premium will be \_\_\_\_\_.  
 a. 15000 b. 80000 c. 20000 d. 120000  
CO1 (A)
4. The debt equity ratio after buy back should be \_\_\_\_\_.  
 a. 4:1 b. 1:1 c. 2:0 d. 2:1  
CO1 (U)
5. Maximum buy back in year can be \_\_\_\_\_.  
 a. 10% b. 20 % c. 25% d. 30%  
CO1 (U)
6. Amount of capital used by business connection to run its business activities \_\_\_\_\_.  
 a. Paid up capital b. Authorized capital c. Share capital d. Capital employed  
CO2 (R)
7. Capital Redemption Reserve is shown in Balance sheet under \_\_\_\_\_.  
 a. Liability side b. Assets Side c. Debit Side d. Credit Side  
CO2 (U)
8. Preference shareholders are entitled to dividend at ----- rate.  
 a. Fixed b. Variable c. Semi Variable d. Nil  
CO2 (U)
9. Profit/ Loss on sale of Sinking Fund Investment is transferred to \_\_\_\_\_.  
 a. Sinking Fund A/c b. Security Premium A/c c. Profit/Loss A/c d. General Reserve  
CO2 (U)
10. The amount of interest on 10% Debentures of 500000/- for one year will be \_\_\_\_\_.  
 a. 50000 /- b. 45000 /- c. 4800 /- d. 79000 /-  
CO2 (A)

**Q.1. (b) State whether the following statements are True or False:- (Any 7)**

1. Goodwill consists of super profit only. (7m)  
CO1 (R)
2. Intrinsic value is also known as Net Asset Value. CO1 (R)
3. Bonus shares can be issued out or CRR. CO1 (R)
4. Buyback must be as per RBI Guidelines. CO1 (R)
5. Partly paid up shares can be bought back. CO2 (R)
6. Premium on redemption can be provided out of security premium account. CO2 (R)
7. Section 20 is applicable for redemption of preference shares. CO2 (R)
8. Capital reserve is a type of revenue reserve. CO2 (R)
9. Sinking fund account is created at the time of buy back of equity shares. CO2 (R)

**Q.2 Calculate value of Goodwill of Deep Ltd, for 3 years purchase based on Weighted Average method. The profit of last five years are as under :-**

Year	2016	2017	2018	2019	2020
PAT	14000	13500	12000	220000	13000
Weight	5	3	1	2	4

OR

Q.2 The following is the Balance Sheet of Shiv Ltd. as on 31<sup>st</sup> March 2022. **CO1 (AP/E) (15)**

Liabilities	Rs.	Assets	Rs.
4,000 10% Pref. shares of Rs. 100 each	4,00,000	Fixed Assets	10,00,000
60,000 equity shares of Rs. 10 each	6,00,000	Current Assets	2,00,000
Bills Payable	50,000		
Creditors	1,50,000		
	<b>12,00,000</b>		<b>12,00,000</b>

1. Fixed Assets are valued at 10,00,000, Current Assets at Rs. 2,50,000/-

2. Revised Value of Bills payable is 80,000 / -

Calculate the Value per Share using Net Asset Value Method.

Q.3 The Details of KV Ltd. is as under:- **CO2(AP) (15m)**

Equity Share capital (Face Value 10 /- each) Fully Paid up	200000
Profit/ Loss A/c	150000
General Reserves	50000
Security Premium	50000
Cash	64000

Company plans to buy back 5000 shares with Face 10/- at 13 /- per share. For the purpose of Buyback the company plans to take an amount from free reserves.

Pass the necessary journal Entries after checking necessary conditions of Buyback.

OR

Q.3 The Balance sheet of Tata Pvt. Ltd. Is as under:- **CO2(AP) (15m)**

Liabilities	Amount	Assets	Amount
Equity Share Capital (FV – 10)	300000	Fixed Assets	400000
Preference Capital	50000	Current Assets	350000
P/L A/c	10000		
Debentures	280000		
General Reserves	90000		
Bank Loan	20000		
	<b>750000</b>		<b>750000</b>

The offer Price is 20 /- per share Calculate Number of Share a company can buy back using provision of limits of buy back. Company decided to buyback equity shares at par. Pass necessary Journal entries after buyback.

Q.4 Dhruv Ltd. is planning to redeem 5000 preference shares of 10 /- each at 12 /- per share. For the purpose of redemption the company will issue equity shares for 20,000/-. The balance amount can be utilized out of revenue reserves The amount available in the security premium account is 15,000/-, General Reserves Rs. 10,000/- Profit/ Loss A/c Rs. 5,000/- . Pass the necessary journal Entries for redemption of preference shares.

**CO2(AP/E) (15m)**

OR

Q.4 J.K Shah Ltd. is 15,000, 12% Debentures of 100/- each on 1<sup>st</sup> April 2018, repayable at premium @10% after 2 Years.. On 31<sup>st</sup> March 2020 Balance in D.R.R account is Rs. 2,50,000/-. Pass necessary journal entries on the due date of redemption. Pass Journal Entries in the books of the company. **CO2(AP/C) (15m)**

Q.5 Answer the following:-

(a) Explain the methods of valuation of shares

**CO1 (U) (8m)**

(b) What are the provisions of Companies Act, 2013 about redemption of preference shares?

**CO2 (U) (7m)**

OR

(15m)

Q.5 Write Short notes on :- (Any Three)

1. Types of Debentures
2. Capital Redemption Reserve
3. Sources of Buy Back
4. Redemption of Preference Shares
5. Net Asset Value Method

CO1 (U)  
CO2 (U)  
CO2 (AP)  
CO2 (U)  
CO1 (U)

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