FYBOBI - Financial Accounting - TI

Intration: -2 ½ Hours Otto: - All questions are compulsory. Figures to the right indicate full marks. Use of a simple calculator is allowed. Others and the correct options and rewrite the given sentences. (Any 8) Identify the correct formula of Goodwill as per No. of years purchase method. a. Average Profit x No. of yrs Purchase b. Normal Profit x 2 c. NRR/2 d. Excess profit Normal Profit depends upon a. Super Profits b. Average Profits c. Normal Rate of Return a. 20/ b. 110/ c. 120/- c. 120/- d. 40/- Board of directors can approve Buyback upto a. 10% b. 20% c. 5% d. 15% CO1 (R) d. Excess profit d. Average Profit c. Reserves d. Lexcess profit a. Super profit b. Normal Profit c. Reserves d. Lexcess profit c. Reserves d. Excess profit d. Excess p			Seat Number:	Marks 75
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Column 'A' 1. Fresh Issue of Shares 2. Sinking Fund Account CO2 (R) Column 'B' Fixed Rate of Dividend Intrinsic Value of Share Revenue Reserve		 b. Secured Loans 	c. Unsecured Loans	d. Fixed Assets
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2. Sinking rund Account CO2 (R)	1. Fresh Issue of Shares	CO2 (U)		
T Revenue Reserve	2. Sinking Fund Account	CO2 (R)		
3. Goodwill CO1 (R) Redemption of Debentures	3. Goodwill	CO1 (R)		
4. NRR CO1 (R) Redemption of Descritures Normal Rate of Return		CO1 (R)	The same of the sa	
5. Equity Shares CO2 (U) Intangible Asset		CO2 (U)		
6. Preference Shares CO2 (U) Maximum amount authorized in MOA	. · ·	CO2 (U)	Maximum amount authorized	in MOA
7 NAV CO1 (R) Flexible Rate of Divided			Flexible Rate of Divided	
8. Authorized Capital CO1 (R) One of the Sources of Buy Back	9386		One of the Sources of Buy Ba	ck
9. General Reserve CO2 (U)				

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Q.2 - Calculate value of Goodwill of XYZ Ltd, for 3.5 years purchase based on Weighted Average method. The profit of last five years are as under:-

flast five ve	ars are as under:			JI (AI/E)	2020
-	2016	2017	2018	2019	2020
Year		135000	-20000	120000	50000
PAT	140000	133000	1 *	2	4
Weight	5	3	1		

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OR

Q.2 The following is the Balance Sheet Liabilities	Rs.	Assets	Rs.
3,000 10% Pref. shares of Rs. 100 each 60,000 equity shares of Rs. 10 each Bills Payable Creditors	3,00,000 6,00,000 1,50,000 1,50,000	Fixed Assets Current Assets	8,00,000 4,00,000
	12,00,000		12,00,000

- 1. Fixed Assets are valued at 10,00,000.
- 2. Revised Value of creditors is 130, 000 / -

Calculate the Value per Share using Net Asset Value Method.

Q.3 Aarya Ltd. decided to buy back 10,000 equity shares with face value Rs. 10/- @ Rs. 14/- per share. For the Purpose of Buy Back Company has issued preference shares of Rs. 80000/- . Further companies can utilize revenue reserves.

(15)

Following balances were extracted from the Balance Sheet.

Following balances were extracted from Particulars	Amount
	30,000
Securities premium	80,000
Capital Reserves	2,90,000
General Reserves	
Profit/ Loss A/c	1,00,000

Pass necessary journal Entries in the books of Aarya Ltd.

OR

Q.3 The Balance sheet of Reliance Ltd. Is as under:-

CO2(AP/AN)

(15)

r · X 914ion	Amount	Assets	Amount
Liabilities Equity Share Capital (FV – 10) Preference Capital P/L A/c Debentures General Reserves	300000 50000 10000 280000 90000	Fixed Assets Current Assets	400000 350000
Bank Loan	20000 75000 0		750000

The offer Price is 20 /- per share Calculate Number of Share a company can buy back using provision of limits of buy back.

Q.4 On 1st Jan, 2022, the company decided to redeem 6% preference capital of Rs. 10/- each at par. For the purpose of redemption 1000 equity shares of 100/- each were issued and the balance amount can be arranged from revenue reserves. Following is the balance sheet as on 1st Jan, 2022. CO2(AP/C) (15)

PAGE 2 OF 3

Balance sheet of Rahul Ltd.

Ba	ance sheet of Itemax		
Liabilities	Amount	Assets	Amount
Equity capital of 100/- each	5,00,000	Fixed Assets	8,00,000
6% preference capital of 10/- each	3,00,000	Bills Receivables	3,70,000
General Reserves	5,70,000	Cash at bank	4,00,000
Bills payable	2,00,000		
Dim payable	15,70,000		15,70,000

Pass journal entries of Rahul Ltd. and balance sheet after redemption.

OR

Q.4 The Company gave notice for redemption of 100000, 12% debentures of 100/- each at premium of 10% and its gave following options to holders:
CO2(AP/C) (15)

- To accept 12% debentures of 100/- each at 98/-
- To redeem debentures at cash

• To accept 10% preference shares of face value 20/- at 25/- per share

30000 debenture holders accepted the first proposal & 40000 accepted the 2nd proposal and the remaining accepted 3rd proposal.

Pass Journal Entries in the books of the company.

Q.5 Answer the following:-a) Explain the steps in calculation of goodwill by Super pb) Explain the procedure of buyback of Equity shares.	of the file time of	CO1 (U) CO2 (U)	(8m) (7m)
OR			
O.5 Write Short notes on :- (Any Three)			(15m)
1. Types of Equity Shares	¥	CO1 (U)	
2. Capital Redemption Reserve		CO2 (U)	
<u> </u>	•	CO2 (AP)	
3. Procedure of Buy Back		CO2 (U)	
4. Redemption of Debentures		CO1 (U)	
5 Annuity Method		COI(0)	

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