

FYBCBI - Financial Accounting - II

Seat Number: - _____ Marks 75

Duration: - 2 ½ Hours

Note: -

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

- Q.1. (a) Choose the correct options and rewrite the given sentences. (Any 8)** (8m)
- Identify the correct formula of Goodwill as per No. of years purchase method. CO1 (R)
 - Average Profit x No. of yrs Purchase
 - Normal Profit x 2
 - NRR/2
 - Excess profit
 - Normal Profit depends upon _____ CO1 (R)
 - Super Profits
 - Average Profits
 - Normal Rate of Return
 - Risk Factor
 - X Ltd. Issued 1,000 equity shares of Rs. 100 each at 120 /- per share. The amount of premium per share will be ----- CO1 (R)
 - 20 /-
 - 110 /-
 - 120 /-
 - 40 /-
 - Board of directors can approve Buyback upto _____ CO1 (R)
 - 10%
 - 20%
 - 5%
 - 15%
 - Excess of average profit on by the form over and above its normal profit CO1 (R)
 - Super profit
 - Normal Profit
 - Reserves
 - Excess profit
 - Calculate Fair Value of Equity shares if Net Asset Value is 16 /- per share & Yield Value is 18/- per share. CO1 (AP)
 - 16.5
 - 15.5
 - 17
 - 15
 - The shares offered free of cost are called _____ CO1 (U)
 - Priority
 - Preferential
 - Bonus
 - Right
 - Maximum buy back in a year can be _____ CO1 (U)
 - 10%
 - 20 %
 - 25%
 - 30%
 - Capital redemption reserve can be created out of _____ CO2 (U)
 - Security Premium
 - Capital Reserve
 - Statutory Reserve
 - Free Reserves
 - Investment with book value 150000 /- was sold for 180000. how much will be debited in a Bank Account ? CO2 (AP)
 - 240000
 - 180000
 - 150000
 - 158000
 - The redemption of preference shares is governed by section ----- of the company Act. CO2 (R)
 - 75
 - 77
 - 55
 - 78
 - DRR is required to create if a company issues debentures for the term more than _____ CO2 (U)
 - 20 Months
 - 18 Months
 - 15 Months
 - 24 Months
 - Sinking Fund A/c for redemption is shown under _____ CO2 (U)
 - Reserves
 - Secured Loans
 - Unsecured Loans
 - Fixed Assets

Q.1. (b) Match the following :- (Any 7) (7m)

Column 'A'		Column 'B'
1. Fresh Issue of Shares	CO2 (U)	Fixed Rate of Dividend
2. Sinking Fund Account	CO2 (R)	Intrinsic Value of Share
3. Goodwill	CO1 (R)	Revenue Reserve
4. NRR	CO1 (R)	Redemption of Debentures
5. Equity Shares	CO2 (U)	Normal Rate of Return
6. Preference Shares	CO2 (U)	Intangible Asset
7. NAV	CO1 (R)	Maximum amount authorized in MOA
8. Authorized Capital	CO1 (R)	Flexible Rate of Dividend
9. General Reserve	CO2 (U)	One of the Sources of Buy Back

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 :-

CO1 (AP/E) (15)					
Year	2016	2017	2018	2019	2020
PAT	140000	135000	-20000	120000	50000
Weight	5	3	1	2	4

OR

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

Liabilities	Rs.	Assets	Rs.
3,000 10% Pref. shares of Rs. 100 each	3,00,000	Fixed Assets	8,00,000
60,000 equity shares of Rs. 10 each	6,00,000	Current Assets	4,00,000
Bills Payable	1,50,000		
Creditors	1,50,000		
	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. CO2(AP/AN) (15)

Following balances were extracted from the Balance Sheet.

Particulars	Amount
Securities premium	30,000
Capital Reserves	80,000
General Reserves	2,90,000
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)

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		
	750000		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)

Balance sheet of Rahul Ltd.

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		
	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 profit method.
- b) Explain the procedure of buyback of Equity shares.

CO1 (U) (8m)

CO2 (U) (7m)

OR

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

1. Types of Equity Shares
2. Capital Redemption Reserve
3. Procedure of Buy Back
4. Redemption of Debentures
5. Annuity Method

CO1 (U)

CO2 (U)

CO2 (AP)

CO2 (U)

CO1 (U)

(15m)

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