

S.S.T COLLEGE OF ARTS AND COMMERCE

Internal Examination - March 2022

Class: SYBAF (IV)

Subject: Financial Accounting- IV

Duration: 40 Minutes

Marks: 20

Q.1. Select appropriate word

(5)

1. X ltd. Issued 1,000 equity shares of Rs. 100 each at par. The proceeds will be----

- a. Rs. 1, 00,000 b. Rs. 1, 50,000 c. Rs. 1, 70,000 d. Rs.180,000

2. Preference shares may be redeemed at -----

- a. Par only b. Premium only c. Par or at premium d. At discount

3. The period of preference shares cannot exceed -----

- a. 20 year b. 7 Years c. 5 years d. 8 years

4. Post incorporation profit is transferred to -----

- a) Securities premium A/c. b) Capital reserves
c) General reserve A/c. d) Revaluation reserve

5. For computation of pre-incorporation profit, audit fees are -----

- a) Treated as pre incorporation expenditure b) Post incorporation expenditure
b) Allocated in the ratio of sales d) Allocated in the ratio of time

Q. 2. Write short note (Any Two)

(5)

- a) Legal Provision for redemption of preference share
b) Write five entry related to redemption of preference share
c) Distinguish between Pre-incorporation and Post-incorporation

Q.3 A Ltd. Company has 12000 redeemable preference shares of Rs.100 each fully paid. The company decided to redeem these shares at 10% premium.

1. 3000 equity shares of Rs.100 each at 10% Premium.
2. 2000 Debentures of Rs.100 each.

The issue was fully subscribed and allotment was made. The redemption was carried out. The company has sufficient profit. Journalise the transaction.

(10)