

P P SAVANI UNIVERSITY

Second Semester of BBA Examination

June 2022

SMBB1090 Financial Accounting

30.06.2022, Thursday

Time: 09:00 a.m. To 11:30 a.m.

Maximum Marks: 60

Instructions:

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same answer sheets.
3. Make suitable assumptions and draw neat figures wherever required.
4. Use of scientific calculator is not allowed.

SECTION - I

- Q - 1 Answer the Following: (Any Five) [05]**
- (i) What is Equity share?
 - (ii) Define Bonus share?
 - (iii) Define Paid-up share capital?
 - (iv) What do you understand by forfeited of share?
 - (v) Calls in arrears - Define
 - (vi) Over subscription - Define
- Q - 2 (a) [03]** A Ltd. Forfeited 200 shares of L 10 each fully called up held by X for non-payment of allotment money of L 3 per share and First & Final call of L 4 per share. He paid the application money of L 3 per share. These shares were reissued to Y for L 8 per shares pass necessary journal entries.
- Q - 2 (b) [10]** V Ltd. Issued 20,000 Equity shares of Rs. 10 each at a premium of Rs. 3 payables as follows:
- On Application Rs. 4
 - On Allotment Rs. 5 (including Securities Premium Reserve)
 - On First Call Rs. 2
 - On Final Call Rs. 2
- One shareholder name Raman hold 1200 shares Failed to pay final call money. Other all shares were duly subscribed, and all money duly received.
Pass necessary Journal Entries.
- OR**
- Q - 2 (a) [06]** Define company. What are the main characteristics of a company?
- Q - 2 (b) [07]** Write short note on forfeiture and re-issue of forfeited shares. - Write down journal entries for the same.
- Q - 3 (a) [12]** The Balance Sheet of Croma Ltd. as on 31/03/2020 was as follows.

Balance Sheet

Liabilities	Rs.	Assets	Rs.
44000 Equity Shares of Rs. 10 each fully paid	440000	Fixed Assets	440000
4400 7 % Redeemable Pref. Shares of Rs. 50 each	176000	Investments	110000
2200 8 % Redeemable Pref. Shares of Rs. 50 each.	110000	Loose Tools	121000
Capital Reserve	11000	Debtors	99000

Securities Premium	22000	Bank	198000
General Reserve	99000		
Dividend Equalization Fund	44000		
Bills Payable	66000		
	968000		968000

On this date, the company decided to redeem both the classes of Preference Shares at a premium of 10 % after complying with the provisions laid down under Section 80 of the Companies Act.

For the purpose of redemption of preference shares necessary number of Equity Share of Rs. 10 each were issued at a discount of 10 %.

Pass necessary journal entries to record the above transactions and prepare a Balance Sheet.

OR

- Q - 3 (a)** On 31/03/2019, the issued and paid up capital of the Taniya Ltd was Rs. 400000 divided into shares of Rs. 10 each, Rs. 8 per share called and paid up. The company decided to capitalize the reserve of Rs. 100000 and utilize the amount as bonus in making partly paid shares fully paid. [04]

Write necessary Journal entries in the books of the company.

- Q - 3 (b)** The issued capital of Brijesh Ltd consists of 50000 Equity shares of Rs. 10 each. On 31/03/2019 it had Rs. 400000 to the credit of General Reserve and Rs. 150000 to the credit of Profit & Loss Account. The company decided to issue bonus shares at the rate of one share for every two shares held and decided to utilize the General Reserve up to Rs. 200000 and balance out of P & L A/c. [04]

Write necessary Journal entries in the books of the company.

- Q-3 (c)** What is a 'Preference share'? Describe the different type of preference share? [04]

SECTION - II

- Q - 1** Define the following terms: (Any Five) [05]

- (i) Financial Statements
- (ii) Intangible Assets
- (iii) Non-current Liabilities
- (iv) Reserve & surplus
- (v) Debentures
- (vi) Debenture redemption reserve

- Q - 2 (a)** Write short note on Redemption of debenture. [04]

- Q - 2 (b)** Difference between shares and debenture. [04]

- Q - 2 (b)** Explain types of debenture. [04]

OR

- Q - 2 (a)** Ziva Ltd. Invited application for 5,000, 8% Debentures of Rs. 100 each at a premium of 2%, Rs. 40 were payable on Application, Rs. 20 on allotment and balance on final call. [06]

Applications were received for 4,800 shares and accepted in full. All money duly received. Journalize the transactions.

- Q - 2 (b)** Kirloskar Multimedia Ltd. Purchased machinery costing Rs. 16,72,000. It was agreed that the purchase consideration be paid by issuing Debentures of Rs.100 each. Assume debentures are issued **[06]**
- (i) at par,
(ii) at a premium of 10% and
(iii) at a discount of 5%.

Give necessary journal entries.

- Q - 3 (a)** Prepare a Profit & Loss account of a Company in accordance with Companies Act, 2013 as per schedule III. **[05]**

- Q - 3 (b)** From the following information prepare the balance sheet of Jam Ltd as per schedule III. **[08]**

Inventories	Rs. 7,00,000
Equity Share Capital	Rs. 16,00,000
Plant and Machinery	Rs. 8,00,000
8% Preference Share Capital	Rs. 6,00,000
General Reserves	Rs. 6,00,000
Bills payable	Rs. 1,50,000
Provision for taxation	Rs. 2,50,000
Land and Building	Rs. 16,00,000
Non-current Investments	Rs. 10,00,000
Cash at Bank	Rs. 5,00,000
Creditors	Rs. 2,00,000
12% Debentures	Rs. 12,00,000.

OR

- Q - 3 (a)** From the following particulars, prepare Statement of profit and loss and balance sheet for the year ending March 2020, showing profit before tax as per schedule III of the companies Act - 2013. **[13]**

Balances	(Rs.) Debit	(Rs.) Credit
Machinery	3,20,000	
Land and Building	13,48,000	
Depreciation on Machinery	32,000	
Purchases	8,00,000	
Closing stock	3,00,000	
Wages	2,40,000	
Trade receivables	1,40,000	
Sales (Revenue from operation)		20,00,000
Salaries	1,60,000	
Goodwill	1,00,000	
Debtors	1,60,000	

Bank overdraft		4,00,000
Provision for taxation		1,00,000
Borrow from Mr. A (Long term)		3,00,000
10% debentures (issued on 1st April, 2019)		2,00,000
Equity share capital		4,00,000
Preference share capital		2,00,000
	36,00,000	36,00,000
