<b>Enrollment No:</b>	<b>Exam Seat No:</b>	
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# C. U. SHAH UNIVERSITY Summer Examination-2022

**Subject Name: Accounting & Finance-VI** 

Subject Code: 4CO06AFI2 Branch: B.Com (English)

Semester: 6 Date: 11/05/2022 Time: 02:30 To 05:30 Marks: 70

#### **Instructions:**

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

Q-1 a)		Attempt the following questions: Securities Premium Account is shown in the balance sheet of an Electricity	( <b>14</b> )
		Company under the head of-	
		(A) Shareholder's Funds (B) Non-Current Liability	
		(C) Current Liabilities (D) Share Capital	
	b)	The cost of giving electricity connection to consumer is considered as-	1
		(A) Revenue Expense (B) Capital Expense	
		(C) General Expense (D) Deffered Expense	
	c)	Which share can be converted into stock	1
		(A) Partly paid share (B) Fully paid share	
		(c) (A) & (B) Both (C) None of the above	
	d)	When authorized capital is increased-	1
		(A) Share Capital Account is debited	
		(B) Share Capital Account is credited	
		(C) No entry is passed	
		(D) Bank Account is debited	
	e)	The listed companies should calculate and disclose earnings per share in	1
		accordance with-	
		(A) AS-19. (B) AS-21. (C) AS-22. (D) AS-20	
	f)	is calculated by taking into account the potential equity shares	1
		(A) Fair value of a share (B) Buyback of shares	



		(C) Diluted earnings per share (D) Basic earnings per share	
	g)	The equity shares which will have to be issued on the expiry of the period	1
		of convertible debentures are called-	
		(A) Potential equity shares (B) Bonus shares	
		(C) Right shares (D) Preference shares	
	h)	Accounting standard-20 was issued in-	1
		(A) 1999. (B) 2000 (C) 2001 (D) 2002	
	i)	Which type of shares can be bought back?	1
		(A) partly paid up (B) Fully paid up	
		(C) Partly or Fully (D) None	
	j)	Company can issue Bonus Shares out of source of –	1
		(A) Capital (B) Reserve Capital	
		(C) Capital Reserve (D) None of the above	
	k)	Which of the following company, cannot buy back its own shares?	1
		(A) Public company (B) Default Company	
		(C) Manufacturing Company (D) Finance Company	
	1)	Under the stock and debtors system branch Account is treated as-	1
		(A) Personal Account. (B) Nominal Account.	
		(C) Real Account. (D) Joint Account	
	m)	Which account only can be used for issuing fully paid Bonus Shares?	1
		(A) Profit & Loss A/c (B) Debenture Redemption Fund A/c	
		(C) General Reserve A/c (D) Capital Redemption Reserve A/c	
	n)	For an independent branch head office account is like-	1
		(A) Capital Account. (B) Nominal Account	
		(C) Real Account (D)Joint Account	
Atten	npt any	four questions from Q-2 to Q-8	
Q-2	<b>(A)</b>	Attempt all questions	(14)
	(A) (B)	What is Branch? Write objectives of Branch Accounting What is Bonus? Explain procedure for issuing bonus share	7 7
Q-3	(4)	Attempt all questions Write short note: 1) Issue of Sweet Equity Shores	(14)
	<b>(A)</b>	Write short note- 1) Issue of Sweat Equity Shares 2) Bought out Deal	7
	<b>(B)</b>	Explain procedure of deciding diluted EPS	7
Q-4	(4)	Attempt all questions	(14)
	<b>(A)</b>	State characteristics of depended branch	7



Q-5 (14)

From the following information of Maan Electric Supply Company, Prepare Balance Sheet as on 31-3-2021 as per Schedule-III.

	Rs.
Authorised Capital	4,50,000
Paid-up Capital	3,90,000
12% Debentures	60,000
Business Creditors	24,000
Reserve Fund	22,500
Business Debtors	57,000
Cash and Bank balance	51,500
Investments of Reserves Stock	22,500
Expenditure upto 31st March, 2020:	
Land	18,000
Mains and Transformers	2,02,500
Buildings	19,500
Machineries	60,000

During the year ended on 31st March, 2021 there was increase in above last three items of Rs. 37,500, Rs. 37,500 and Rs. 15,000 respectively and Renewals Fund of Rs. 37,500 was created. Balancing figure of Rs. 24,000 is to be considered as profit of the company.

### Q-6 Attempt all questions

**(14)** 

(A) From the following information, calculate Basic EPS and Diluted EPS as Per AS-20:

Net Profit for the current year	Rs. 83,00,000
Number of equity shares outstanding	20,00,000
Number of 10% Convertible Debentures of Rs. 10 each	1,00,000
(each debenture is convertible into 10 equity shares)	
Interest expense for the current year	Rs. 10,00,000
Tax relating to interest expenses	30%

(B) From the following information relating to Y Ltd., Calculate Basic 7
Earnings Per Share (EPS):

Particulars	Rs. in Crores
Profit before preference dividend but after depreciation	75.00
Depreciation	10.00
Preference Share Dividend	32.10



Provision for taxation	10.00
Fringe benefit tax	5.00
Paid up Equity Share Capital	93.00
(Shares of Rs. 10 each fully paid)	

Q-7 (14)

Milan bros. has a branch at Surendranagar. All goods required for sale at Surendranagar are sent from Head Office at cost plus 20% (invoice price) and all cash received at the branch is banked daily in H.O.'s Account opened in a Bank at Surendranagar.

From the following particulars prepare in the Book of H.O.: (1) Branch Account (2) Branch Debtors' Account (3) Petty Cash Account.4) Branch Trading A/c 4) Branch Profit & Loss A/c

<i>5</i> ,	1-4-2009	31-3-2010	
	Rs.	Rs.	
Stock (I.P.)	9,000	7,200	
Debtors	12,000	13,500	
Petty Cash	120	(?)	
Furniture	14,000	(?)	
Goods sent to Branch (I.P.)			27,900
Goods returned to H.O. (I.P.)	)		1,200
Bad debts written off by Bran	nch		200
Cash Sales			2,000
Goods returned by Customer	'S		300
Discount allowed to Debtors			500
Total Sales			45,500
Petty Cash Expenses			280
Remittance to branch for Pett	y Cash		360
Branch Expenses paid by H.C	).:		
Rent, Taxes etc.	1,600		
Salary	2,000		
Bonus to staff	600		
Octroi etc.	500		4,700
Provide 10% depreciation on	Furniture		

## Q-8 Attempt all questions

- (A) Pass the necessary journal entries to record the following transactions in the books of Aarya Ltd.:
  - (i) The paid up capital of the company is Rs. 10,00,000 divided into shares of the Rs. 100 each. They decided to sub-divide the same into Equity Shares and 10% preference shares of Rs. 10 each in the ratio 2:3.
  - (ii) Company decided to issue equity stock in the following manner in



**(14)** 

exchange of 2,500 equity shares of Rs. 100 each fully paid. (a) At the rate of Rs. 97 for each share

(b) At the rate of Rs. 107 for each share.

#### **(B)** The balance sheet of Mayur Ltd. as on 31-3-2020 was as under:

Liabilities	Rs	Assets	Rs
7,000 equity shares of	7,00,000	Fixed Assets	10,00,000
Rs. 100 each		Current Assets:	
Securities Premium	40,000	Bank Balance	3,00,000
Reserve Fund	2,60,000	Stock	70,000
Profit & Loss A/c	3,00,000		
Creditors	70,000		
	13,70,000		13,70,000

The company decided to issue bonus shares at the rate of 4 shares for every 7 shares held and for this purpose, it was decided to utilise total amount of Securities Premium, Rs. 1,60,000 out of Reserve Fund and the balance out of Profit and Account.

Pass necessary journal entries and prepare balance sheet of the company



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