

Program: SYBCOM Semester: IV Program Code: UGCOM01  
 Course: AFM - IV Course Code: NUCM302  
 Duration: 2 Hours Examination Pattern: NEP - Autonomous External Max. Marks: 60

**Instructions:**

1. Attempt any FOUR out of SIX of the following.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

**Examination:**  
**REGULAR**

Q.1	(a)	Fill in the blanks with an appropriate answer from the alternatives given.	[08]	Course Outcome	Knowledge Level		
	<b>I</b>	RBI is a _____		CO1, CO2, CO3, CO4	L1		
	a.	Statutory Company				b.	Registered Company
	c.	Listed Company				d.	Chartered Company
	<b>II</b>	Discounted bill of exchange is a _____					
	a.	Contingent Liability				b.	Current Liability
	c.	Non-Current Liability				d.	Fixed Liability
	<b>III</b>	Partly paid shares can be made fully paid by capitalising _____					
	a.	General Reserve				b.	Securities Premium
	c.	Capital Redemption Reserve				d.	All of the above
	<b>IV</b>	Bonus shares cannot be issued by capitalising _____					
	a.	Revaluation Reserve				b.	Capital Reserve
	c.	Securities Premium				d.	General Reserve
	<b>V</b>	Discount on issue of debentures is a _____					
	a.	Capital Loss				b.	Revenue Loss
	c.	Capital Profit				d.	Revenue Profit
	<b>VI</b>	The Companies Act 2013 _____					
	a.	Prescribes restrictions on issue of debentures at discount				b.	Does not prescribe any restrictions on issue of debentures at discount
	c.	Provides no issue of debentures at discount				d.	All of the above
	<b>VII</b>	The reserve which cannot be transferred to Capital Redemption Reserve _____					
	a.	Securities Premium A/c				b.	Revaluation Reserve
	c.	Profit Prior to Incorporation		d.	All of the above		

<b>VIII</b>		A company can issue _____																																					
	<b>a.</b>	Only redeemable preferene shares	<b>b.</b>	Only deferred shares																																			
	<b>c.</b>	Only irredeemable preference shares	<b>d.</b>	All of the above																																			
<b>(b)</b>	<b>State whether the following statements are true or false.</b>				<b>[07]</b>																																		
	<b>I</b>	Loose tools are shown under current liabilities.																																					
	<b>II</b>	Short term loan is the loan due for more than 5 years.				CO1,																																	
	<b>III</b>	Calls in arrears is added to subscribed capital.				CO2,																																	
	<b>IV</b>	The document inviting offer from public for subscription is share certificate.				CO3,																																	
	<b>V</b>	Rate of underwriting commission in case of debentures cannot exceed 10%.				CO4																																	
	<b>VI</b>	Issue of debentures must be sanctioned by state government.																																					
	<b>VII</b>	Capital redemption reserve is used for payment of dividend.																																					
<b>Q.2</b>	<p>The promoters of the Proposed New Company ZEDO Ltd. purchased a running business on 1st January, 2017 from Mr. Antonio. The new company was incorporated on 1st May, 2017. The Profit and Loss Account for the year ended 31st December, 2017 was as under</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Rent, Rates, Insurance, Electricity</td> <td>24000</td> <td>Gross Profit</td> <td>300000</td> </tr> <tr> <td>Directors Sitting Fees</td> <td>7200</td> <td>Discount Received</td> <td>12000</td> </tr> <tr> <td>Preliminary Expenses</td> <td>9800</td> <td></td> <td></td> </tr> <tr> <td>Selling Expenses</td> <td>11000</td> <td></td> <td></td> </tr> <tr> <td>Interest paid to Vendors</td> <td>20000</td> <td></td> <td></td> </tr> <tr> <td>Net Profit</td> <td>240000</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>312000</td> <td>Total</td> <td>312000</td> </tr> </tbody> </table>				Particulars	₹	Particulars	₹	Rent, Rates, Insurance, Electricity	24000	Gross Profit	300000	Directors Sitting Fees	7200	Discount Received	12000	Preliminary Expenses	9800			Selling Expenses	11000			Interest paid to Vendors	20000			Net Profit	240000			Total	312000	Total	312000	<b>[15]</b>	Course Outcome	Knowledge Level
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	<p>Following further information available :</p> <p>Sales upto 30 April, 2017 was 6,00,000 out of total sales of 30,00,000 for the year.</p> <p>Purchases upto 30 April, 2017 was 6,00,000 out of total purchase of ₹ 18,00,000 of the year.</p> <p>Interest paid to vendors was @ 12% on 2,00,000 p.a. till the payment was made.</p> <p>From the above information, prepare Statement of Profit and Loss for the year ended 31st December, 2017 showing Pre and Post-incorporation profits and how it will be treated in accounts.</p>					CO4	L3																																

Q.3	SF Ltd. has 2,000, 12% Redeemable Preference Shares of ₹100 each, repayable at a premium of 5%. The shares are now due for redemption. It is decided that the whole amount will be redeemed out of a fresh issue of 20,000 equity shares of 10 each at 11 each. The whole amount is received in cash and the 12% Preference shares are redeemed. The company has sufficient balance in the Profit and Loss A/c. Show the necessary journal entries in the books of the company.	[15]	Course Outcome CO2	Knowledge Level L3
Q.4	BEE Ltd. (unlisted company other than AIFI, banking company, NBFC and HFC) had 12% debentures amounting to 1,20,000 as at 31-3-2021. It decided to repay the debentures @ 3% premium. It had adequate balances in the Profit and Loss A/c and bank. Pass journal Entries	[15]	Course Outcome CO3	Knowledge Level L3
Q.5	A limited company issues ₹ 1,000, 15% 5,000 1st mortgage debentures on which the amount payable is 200 on application; ₹300 on allotment and balance on first call. In addition the company offers 1,000- 12%, 2nd mortgage debentures of ₹ 1,000 each and the entire money is payable at time. In case of second mortgage debentures the company received applications for 1,200 debentures. The directors made pro rata allotment and excess money was refunded. Pass journal Entries	[15]	Course Outcome CO1	Knowledge Level L3
Q.6	<b>Write short notes on (Any Three)</b>	[15]	Course Outcome	Knowledge Level
a.	Writing off discount on Issue of debentures		CO1	L2
b.	Divisible Profits		CO2	
c.	Debenture Redemption Reserve		CO3	
d.	Securities Premium		CO2	
e.	Profit Prior to Incorporation		CO4	

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