

INDIAN MARITIME UNIVERSITY

(A Central University, Govt. of India)

End Semester Examinations – December 2023

B.B.A (Logistics, Retailing and E-Commerce)

Subject Code : UG31T2302

Subject Name: Financial Accounting-III

Date: 01.12.2023

Max Marks : 70

Time: 3 Hrs

Pass Marks: 35

PART – A

Answer all the questions

(10 x 1 = 10Marks)

1. Internal Re construction means
 - a. Capital Reduction
 - b. Amalgamation
 - c. Absorption
 - d. None of the above

2. Voluntary winding up
 - a. If period fixed for the company is expired
 - b. If company passes a special resolution the company wound up voluntarily.
 - c. Members voluntary winding up is applicable to solvent companies only
 - d. All of the above

3. It is a continuous critical review of financial and operating activities by a staff member of the auditor
 - a. Internal Audit
 - b. Internal Control
 - c. Internal Check
 - d. None of the above

4. Ordinary shares are also called
 - a. Founders shares
 - b. Equity Shares
 - c. Defective Shares
 - d. None of the above

5. The maximum amount with which the company is registered is called
 - a. Issued Share Capital
 - b. Called up share Capital
 - c. Authorized Share Capital
 - d. Subscribed Capital

6. When Shares are issued at premium amount of premium will be credited to
 - a. Share First Call account
 - b. Share Second Call account
 - c. Forfeiture Account
 - d. Securities Premium account

7. Which of the following methods are used for the valuation of goodwill?
 - a. Super profit method
 - b. Weighted profit method
 - c. Average profit method
 - d. All of the above

8. Which of the following factor is not affecting the goodwill of a company?
 - a. The nature of business
 - b. The location of a company's customers
 - c. The efficiency of a company's management
 - d. None of the above

9. A Statement of Profit & Loss of a company is prepared as per the format prescribed in
 - a. Part II of Schedule III of the Companies Act 2013
 - b. Part I of Schedule III of the Companies Act 2013
 - c. Part II of Schedule III of the Companies Act 1956
 - d. None of the above

10. The term current asset doesn't cover
 - a. Debtors
 - b. Stock
 - c. Prepaid Expenses
 - d. Car

Part B

Answer all the five Short Questions

(05 X 02=10 Marks)

11. Write Short notes on Debentures
12. Write short notes on Financial statement?
13. Explain the need and purpose of valuation of Shares (any two purpose)
14. Explain the Super Profit Method of valuation of Goodwill
15. Write Short notes on "Audit Programme"?

Part C

Answer any five Questions

(05 X 10=50 Marks)

16. Explain the Essential Features of Auditing
17. History Ltd issued 3,00,000 equity shares @ Rs.20 plus Rs. 5 as premium payable as follows: -
 - Rs 5 on application
 - Rs 10 on allotment (5+5)
 - Rs 6 on I call
 - Rs 4 on Final call

The Company received application for 3,20,000 shares. Application for 3,10,000 were allotted on pro rata. Balance rejected. All calls were made and money received, excepts Mr.Rajan who was holding 200 shares did not pay the final call. Journalize.

18. From the following information prepare profit and loss account for the year ending 31.12.2020 of Alpha Ltd.

Trial Balance		
Particulars	Debit(Rs)	Credit (Rs)
Authorised Share Capital <u>25,00,000</u>		
Issued & subscribed Share Capital Equity Shares @ 10		10,00,000
Land & Building a/c	5,00,000	
Opening Stock a/c	1,00,000	
Salary a/c	2,50,000	
Wages a/c	1,00,000	
Carriage Inwards a/c	50,000	
Administrative Expenses a/c	2,50,000	
Rent a/c	1,25,000	
Capital Reserve a/c		1,50,000
Loan from IDBI a/c		2,25,000
Bank a/c	2,10,000	
Cash a/c	1,05,000	
Furniture a/c	85,000	
Sales a/c		10,00,000
Purchase a/c	6,00,000	
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	23,75,000	23,75,000

Other Information:

- i. Estimated Closing stock Rs 1,10,000
- ii. Depreciation on furniture 10% p.a

19. Following is the Balance Sheet of Old Ltd

Balance Sheet as on 31.03.20

Liabilities	Rs.	Assets	Rs.
Share Capital (@ 10 each)	2,00,000	Goodwill and patents	50,000
7% Debentures	2,00,000		
Creditors – Preferential	1,00,000	Land & Building	4,00,000
		Plant & Machinery	1,50,000
Current Liabilities	1,50,000	Current assets	2,45,000
Unsecured creditors	3,50,000	Cash & Bank	55,000
		Profit and Loss A/c	1,00,000
	10,00,000		10,00,000

The Company went into liquidation: -

The assets realized by liquidator are as follows:

Land & Building

3,05,000

Plant and

Machinery

55,000 Current Assets 195,000

The Expenses of Liquidation amount to Rs 5000/- Liquidators remuneration at 3% on the Asset realized

Prepare liquidator's final statement account

20. Following is the information extracted from the Financial Records of BBA enterprises

Year Ended	Rs
31st March, 2020	1,72,500
31st March, 2019	1,50,000
31st March, 2018	1,87,500
31st March, 2017	1,80,000
31st March, 2016	1,35,000

Normal rate of return can be considered at 8%. Goodwill is to be valued at 3 years purchase of super profits based on average profit of last 5 years.

Capital Employed Rs.17,80,000. You are required to value the Goodwill.

21. What are the factors influencing valuation of Shares

22. Explain the importance of Internal reconstruction in detail.
