

INDIAN MARITIME UNIVERSITY

(A Central University, Govt. of India)

Supplementary Examinations – September/October 2024

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

Subject Code : UG31T2302

Subject Name: Financial Accounting-III

Date: 09.09.2024

Max Marks : 70

Time: 3 Hrs

Pass Marks: 35

PART – A

Answer all the questions

(10 x 1 = 10Marks)

- i. Capital Redemption Reserve is used for
 - a. Writing off of Capital Loss
 - b. Issuing partly paid bonus shares
 - c. Issuing fully paid bonus shares
 - d. None of the above

- ii. Debentures holders are
 - a. Creditors of the company
 - b. Owners of the Company
 - c. Members of the company
 - d. All the above

- iii. 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

- iv. _____ is the systematic examination of books and records of a business
 - a. Auditing
 - b. Vouching
 - c. Verification
 - d. None of the above

- v. 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

- vi. A/an _____ is written plan containing exact details with regard to the conduct of a particular audit.
 - a. Audit Note Book
 - b. Internal Note Book
 - c. Audit Programme
 - d. None of the above

- vii. The Job of realising Assets and paying liabilities is performed by a person called
 - a. Auditor
 - b. Registrar of the Company
 - c. Management of the Company
 - d. Liquidator

- viii. The allotment of shares in proportion of the shares applied for, is called
 - a. Allotment of Shares
 - b. Pro-rata allotment
 - c. Calls-received in advance
 - d. None of the above

- ix. _____, more commonly referred to as preferred stock, are shares of a company's stock with dividends that are paid out of shareholders before common stock dividends are issued.
 - a. Equity Shares
 - b. Debentures
 - c. Preference Shares
 - d. None of the above

- x. The process by which affairs of a company are reorganized by revaluation of assets, reassessment of liabilities and by writing off the losses already suffered by reducing the paid up value of shares and/or varying the rights attached to different classes of shares are called
 - a. Liquidation
 - b. Internal Reconstruction
 - c. Amalgamation
 - d. None of the above

Part B

Answer all the five Short Questions (05 X 02=10 Marks)

- i. Explain the term 'Underwriters'
- ii. What is "Profit Prior to Incorporation"?
- iii. Write short notes on Liquidators Remuneration?
- iv. Write short notes on Debentures?
- v. Write short notes on Financial statements?

Part C

Answer any five Questions (05 X 10=50 Marks)

- i. Very Old Ltd issued 3,00,000 equity shares @ 100 each plus Rs. 20 as premium payables as follows: -
 - Rs.20 on application
 - Rs.70 on allotment (50+20)
 - Rs.20 on I Call
 - Rs.10 on Final CallThe company received application for 3,10,000 shares. All the shares were allotted on pro rata. Give journal entries in the books of the company.
- ii. Explain the differences between Shares and Debentures.
- iii. Explain in detail the importance of audit working papers.
- iv. Following is the Trial Balance of Beta Ltd as at 31.03.2020

Trial Balance		
Particulars	Debit(Rs)	Credit (Rs)
Authorised Share Capital <u>50,00,000</u>		
Issued & subscribed Share Capital		
Equity Shares @ 10		10,00,000
Preference Share @ 100		10,00,000
Land & Building a/c	15,00,000	
Opening Stock a/c	1,00,000	
Salary a/c	3,00,000	
Wages a/c	1,00,000	
Staff Welfare a/c	50,000	
Administrative Expenses a/c	2,00,000	
Interest on SBI Loan	1,00,000	

Rent a/c	3,00,000	
P & L a/c		7,50,000
Loan from SBI		4,00,000
Bank a/c	6,50,000	
Cash a/c	1,00,000	
Plant & Machinery a/c	2,50,000	
Sales a/c		20,00,000
Purchase a/c	10,00,000	
Deposit in IDBI	5,00,000	
	51,50,000	51,50,000

Other Information:

- a) Estimated Closing stock Rs 2,10,000
- b) Depreciation on Plant and Machinery 10% P.A
and Land & Building 20% P.A
- c) Land & Building purchased on 1.12.2019
- d) Deposit has an interest of 5% P.A

Prepare Profit & Loss account as per Companies Act 2013

- v. New & Old Ltd went into liquidation on 31-3-2020 when the following Balance Sheet was prepared. Prepare liquidator's final account

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share Capital (@ 100 each)	5,00,000	Goodwill and patents	50,000
7% Debentures	2,50,000		
Creditors – Preferential	1,00,000	Land & Building	4,00,000
		Crane	1,50,000
		Current assets	2,50,000
Unsecured creditors	1,50,000	Cash & Bank	40,000
		Profit and Loss A/c	1,10,000
	10,00,000		10,00,000

The assets realized by liquidator are as follows:

Land & Building	3,00,000
Crane	70,000
Current Assets	2,00,000

The Expenses of Liquidation amount to Rs 10,000/- Liquidators remuneration at 3% on the Asset realized and 2% on the amount paid to Unsecured creditors.

- vi. What is goodwill also explain the need for evaluating the goodwill?
- vii. What is valuation of share, what is the need and purpose for valuing the shares

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