Duration: 3 Hours. **Marks :100**

Note: 1. All Questions are Compulsory
2. Figures to the right state the marks allotted to the questions.

Q 1 (a) **Select the most appropriate answer from the options given below (Any Ten) 10**

1. Export marketing usually involves_________.
   - Minimal competition
   - Customs formalities
   - No risk
   - Dominance of small enterprises
2. Risk in export marketing due to natural calamities like flood is known as ______.
   - Commercial Risk
   - Legal Risk
   - Unforseen Risk
   - Political Risk
3. India is one of the largest exporter of ________ .
   - Exotic birds
   - Fruits and vegetables
   - Olive oil based products
   - Drugs and Pharma products
4. When a country fixes import quantity of commodity from different countries during a specific time period it is known as ________.
   - Quota
   - Consular formality
   - State trading
   - Preferential treatment
5. TRIMs stands for ____________
   - Trade related investment measures
   - Trade restricted investment measures
   - Trade related intellectual measures
   - Trade related investment movement
6. Entry into foreign markets without ________ is risky.
   - Tax holiday
   - Overseas market research
   - Competition
   - Import duty
7. __________ is an outreach programme organised for new and prospective exporters by DGFT.
   - Trade fair and exhibitions
   - Niryat Bandhu scheme
   - EPCG scheme
   - MEIS

8 The negative list of exports does not consist of ________ items.
- Prohibited
- Canalised
- Restricted
- Freely exported

9. The primary objective of __________ is to promote software exports from India.
- STP
- BTP
- EHTP
- TEE

10. _______incentive is disbursed to Indian exporters through FIEO and the Ministry of Commerce.
- MDA
- MAI
- ASIDE
- IRMAC

11. In India _____________acts as a connecting link between the exporters and the government.
- EPCG
- FICCI
- SEZ
- BTP

12. Under __________scheme custom duty paid on import of raw material for export production is refunded to exporters.
- EAAS
- ASIDE
- DBK
- IGST

Q 1 (b) **State whether the following statements are True or False (Any ten):** **(10)**

1. Export marketing is not influenced by regional economic groupings of the world.
2. Export marketer may face risk of cultural differences and communication barriers.
3. Software services make major contribution to India's service exports.
4. Anti dumping duty nullifies the effect of subsidy given by exporting countries.
5. GATS is an agreement to liberalise manufacturing sector.
6. India is one of the founder members of WTO.
7. e-BRC captures details of export proceeds received by exporters.
8. Red sandal wood is an item of canalised list of exports.
9. Units in SEZ are exempted from routine examination of cargo by custom authorities.
10. Focus market scheme promotes exports of all products to all markets.
11. IIP provides raw material assistance for production to Indian exporters.
12. IGST is collected by the port trust authorities.

Q.2 Answer any two of the following: **(15)**

a) What is the importance of exports for a nation?
b) Discuss the various problems faced by the India's export sector.
c) Explain region wise India's exports since 2015

Q.3 Answer any two of the following: **(15)**

a) Distinguish Between tariff barriers and non-tariff barriers.
b) Discuss positive impact of regional economic groupings.
c) Explain determinants of foreign market selection.

Q.4 Answer any two of the following: **(15)**

a) Explain the highlights of FTP 2015-20.
b) Explain the role of DGFT in promoting exports.
c) Discuss the benefits given to EOUs

Q.5 Answer any two of the following: **(15)**

a) Discuss ASIDE given to state governments to boost exports.
b) State the functions of commodity boards in export promotion.
c) Explain the duty drawback scheme given to Indian exporters.

Q.6 Write short notes on the following (Any Four) **(20)**

a) Features of Export marketing
b) Factors influencing Export marketing
c) Need for overseas market research
d) NAFTA
e) Towns of Excellence
f) Indian Trade Promotion Organisation (ITPO)

Paper / Subject Code: 23113 / Business Economics V

25/10/24

[Time: 3 Hours] **[Total Marks: 100]**

Please check whether you have got the right question paper.

N.B.: 1. All questions are compulsory.
2. Figures to the right indicate full marks.

Q.1 A) Select the correct answer and rewrite the statements (any TEN) **10**

1. Privatization refers to ____________ in the context of the NEP.
   a) Transfer of ownership from the government to the private sector
   b) Restriction on private sector participation
   c) Introduction of new public sector enterprises
   d) Increasing government control over industries
2. ____________ is not a goal under the Sustainable Development Goals.
   a) No Poverty b) Zero Hunger
   c) Universal Basic Income d) Quality education
3. Which scheme provides cooked meals to children in government and government-aided schools?
   a) Sarva Shiksha Abhiyan
   b) National Programme for Mid- day meals
   c) Rashtriya Madhyamik Shiksha Abhiyan
   d) Model Schools scheme
4. It is necessary to provide a remunerative price for farmers to ____________.
   a) Discourage growth in agriculture b) Promote industrialization
   c) Encourage reinvestment in agriculture d) Increase Government's revenue
5. The purpose of maintaining buffer stock of food grains is to ____________.
   a) Increase the price of food-grains b) Reduce the cost of production
   c) Ensure availability during shortages d) Export food grains
6. ________is one of the main reasons for the unfavourable conditions in *mandis* for farmers.
   a) Government's subsidies b) High entry fees
   c) High demand for products d) Lack of storage facilities
7. What is the effect of anti-competitive agreements as per the Competition Act 2003?
   a) Promotes healthy competition b) It has adverse effect on competition
   c) Reduces market price d) Encourages combinations
8. ____________is the Udyog Aadhaar Memorandum (UAM).
   a) A loan scheme for MSME b) A tax benefit scheme for MSME
   c) A one-page registration form for MSMEs d) A training Programme for MSMEs
9. ____________is one of the main objectives of the national tourism policy.
   a) To reduce the number of tourists b) To increase the cost of travel
   c) To make tourism as a national priority d) To limit tourism to certain seasons
10. The primary purpose of establishing Regional Rural Banks (RRBs) was to provide credit to ____________.
    a) Urban entrepreneurs b) Rural large scale industries
    c) Government projects d) Rural artisans and agricultural labours
11. ________ can issue certificates of deposit (CDs) in India.
    a) Only Public Sector Banks b) Only commercial banks
    c) Individuals d) Only central Government
12. ____________ of the following is not a component of the primary market.
    a) Equity shares b) Preference shares
    c) Stock exchange d) Debentures

B) State whether the following statements are True or False. (any TEN) **10**

1. Social infrastructure and economic growth are closely associated.
2. The National Programme for Mid-Day Meals has not contributed to improving enrollment rates.
3. FDI always leads to economic dependence on foreign capital.
4. The National Agricultural policy discourages private sector investment in agriculture.
5. Agricultural finance in India includes both short-term and long-term loans.
6. eNAM is an initiative to create a unified national market for agricultural commodities.
7. The primary objective of disinvestment is to encourage public investment.
8. MSMEs are classified only on the basis of investment in plant and machinery.
9. The service sector in India has been growing since the economic reforms of the 1990s.
10. The Life Insurance Corporation (LIC) is the only public sector life insurance company in India.
11. The money market is less risky than the capital market.
12. The capital market in India deals with short-term financial instruments.

Q.2 Answer any TWO of the following. **15**

a. Discuss the measures taken by the Government to improve health care infrastructure.
b. Explain any seven Sustainable Development Goals.
c. Discuss the role of MNCs in Indian economy.

Q.3 Answer any TWO of the following. **15**

a. Examine the Features of National Agricultural Policy 2000.
b. Discuss the limitations of agricultural price policy.
c. Discuss the measures taken by the Government to improve agricultural marketing.

Q.4 Answer any TWO of the following. **15**

a. Analyze the role of MSME sector in Indian Economy.
b. Explain measures taken by the Government to control industrial pollution.
c. Discuss the recent trends in tourism sector in India.

Q.5 Answer any TWO of the following. **15**

a. Examine the recent trends in Insurance sector in India.
b. Explain the reforms introduced in the Indian money market.
c. Briefly discuss the structure of Indian Capital market.

Q.6 Write short notes on any FOUR of the following. **20**

a. Rationale of the New Economic Policy 1991
b. Administered prices in Indian Agriculture
c. Non institutional sources of agricultural finance
d. Types of Industrial Pollution
e. Role of service sector
f. Challenges in banking sector

****

28/10/24

Q.1 B) State whether the following statements are True or False (Any Ten) **(10)**

1. Product development involves identifying customer needs.
2. MIS is not susceptible to data quality issues.
3. Cultural background does not affect consumer behavior.
4. Brand loyalty is a factor in brand equity.
5. Packaging is concerned with safety of product.
6. Skimming pricing is used for innovative products.
7. Supply Chain Management is an element of Logistics.
8. Sponsorships help in brand visibility and corporate image.
9. Sales management is responsible for setting sales quotas.
10. Sharing customer data without consent or transparency is unethical.
11. Green marketing gives competitive advantage to the firm.
12. Erroneous product design leads to brand failure.

Q. 2 Answer any two of the following: **(15)**

a) What is Marketing? Discuss the importance of marketing.
b) Explain the steps in the process of Marketing Research.
c) Describe the techniques of Customer Relationship Management.

Q. 3 Answer any two of the following: **(15)**

a) Explain the various Product Decision Areas.
b) What is Product Positioning? Explain its Strategies.
c) Explain the objectives of Pricing.

Q. 4 Answer any two of the following: **(15)**

a) Describe the factors influencing physical distribution of product.
b) What is Promotion? Discuss the elements of promotion Mix.
c) Discuss the emerging trends in Selling.

Q. 5 Answer any two of the following: **(15)**

a) Explain the general role of Consumer Organizations.
b) What is Digital Marketing? Explain the trends in digital marketing.
c) Discuss the factors responsible for the success of a brand in India with suitable examples.

Q.6 Write Short Notes on (Any four) **(20)**

a) Strategic Marketing
b) Market targeting
c) Branding
d) Supply Chain Management
e) Rural marketing
f) Personal selling

Time: 3 Hours **Marks - 100**

Instructions: 1) All questions are compulsory having internal option
2) Figures to the right indicate full marks.

Q.1A) Choose the correct answer from the option given below (Any Ten) (10)

1. The _________ concept of marketing involves the effective use of aggressive advertising techniques for a product.
   a) product concept b) selling concept
   c) exchange concept d) production concept
2. ________ is the purpose of data warehousing in data mining Process.
   a) Data storage b) Data analysis
   c) Data visualization d) Data integration
3. _____________ is an element of Sociographic Segmentation.
   a) Age b) Culture
   c) Usage rate d) lifestyle
4. _____________ refers to the value of a brand in the market.
   a) Brand image b) Brand positioning
   c) Brand Equity d) Brand service
5. _______ means covering or wrapping of the product.
   a) Branding b) Packaging
   c) Labelling d) Pricing
6. _______ is the pricing strategy that involves setting prices low to attract customers.
   a) Penetration pricing b) Skimming pricing
   c) Bundle pricing d) Premium pricing.
7. ______________ marketing is also called Network marketing.
   a) Vertical b) Horizontal
   c) Multi-channel d) Multi-level
8. _________ is not an important element of Integrated Marketing Communication.
   a) Advertising b) Public Relation
   c) Sponsorship d) Logistics
9. __________ is known as face-to-face selling.
   a) Advertising b) Personal Selling
   c) Prospecting d) Online Selling
10. The Market Challenger adopts strategy to attack _______________.
    a) Market Leader b) Market Follower
    c) Market Nicher d) Market Performer
11. _________ marketing means marketing of eco-friendly products.
    a) Local b) Rural
    c) Green d) Digital
12. _________ skills are also called Inter-personal skills required by marketing manager.
    a) Presentation b) Decision-making
    c) Human d) Persuasion

TY BCom Regular
(Sem-V) 24|10|2024

Time: 3 Hrs. Marks 100

Note:
1. **All Questions are compulsory.**
2. **Figures to the right indicate full marks allotted to the questions.**
3. **Working Notes wherever necessary should form a part of your answer.**
4. **Calculate figures up to the two decimal points wherever required.**

Q1 A State whether the following statements are True or False. **(10)**

1) Lubricants are direct materials
2) Packing charges are selling and distribution cost.
3) Prime cost includes factory overheads.
4) Carriage on material increases cost of materials.
5) Labour Turnover may be caused due to low wages.
6) Time Rate Plan motivates the efficient workers.
7) Factory cost includes Prime cost-plus office overheads.
8) inventory valuation is done at market value.
9) Carriage outwards should be considered selling overheads.
10) Cost of rectification of defectives is a part of administration overheads.
11) Interest received on Bank Deposit is purely financial in nature.
12) Time wage is guaranteed under Rowan premium plan.

Q1 B Select the most appropriate option and rewrite the full sentence. **(10)**

1] The costing which determines cost after it has been actually incurred is
i) estimated ii) standard iii) historical iv) marginal

2] Interest on capital is
i) imputed cost ii) sunk cost iii) direct cost iv) indirect cost

3] Overheads which are incurred in connection with factory are
i) factory overheads ii) office overheads iii) selling overheads iv) prime cost

4] The cost which is directly chargeable to the product is
i) indirect cost ii) direct cost iii) overheads iv) period cost

5] Royalti paid on use of patents is called as:
i) Direct expenses ii) Indirect expenses iii) Production expanses iv) Distribution expenses

6] If production increases Variable cost per unit remains
i) constant ii) flexible iii) Increase iv) Decrease

7] Cost which is unaffected by the change in outputs is called as
i) Fixed cost ii) Variable Cost iii) Period cost iv) Production cost

8] Bin Card is
i) a inspection note ii) a continuous record of stock stored
iii) a statement of delivery of material iv) a statement of issue of material

9] A store ledger is
i) Evidence of delivery of materials ii) a ledger of the supplier
iii)a ledger which shows movement of each item of materials iv) a ledger of the Distributer

10] The process of re-distribution of overheads of support department to production department is called as:
i) Secondary distribution ii) Primary distribution
iii) Repeat distribution iv) Selling and Distribution overheads

11] Drawing office salaries is a:
i) Factory overheads ii) Office overheads
iii) Selling overheads iv) Distribution overheads

12 In reconciliation statement depreciation under charged in cost account is
i) Deducted in financial profit ii) Deducted in costing profit
iii) Added in costing profit iv) Added to assets

Q.2.A.SSR Ltd. furnishes to you the following information for the year ended 31st March, 2023 : **(20)**

Production and Sales	20,000 units
Sales	Rs. 80,00,000
Direct Materials	Rs. 30,00,000
Direct Wages	Rs. 10,00,000
Direct Expenses	Rs. 5,00,000
Factory Overheads	Rs. 7,50,000
Administrative Overheads	Rs. 12,50,000
Sales Overheads	Rs. 10,00,000

Following changes are estimated in the subsequent year:
(1) Production and sales activity will be increased by 25%.
(2) Material rate will be increase by 20% .
(3) Direct wages rate would be reduced by 10% due to automation.
(4)Direct Expenses per unit will increase by 10%.
(5) Factory Expenses will increase by 20% in total.
(6) Total administrative overheads will be lower by 20%.
(7) Sales overheads per unit would remain the same.
(8) Sale would be 110% of cost.
Prepare a statement of cost for both the years ending 31st March, 2023 and 31st March, 2024 showing maximum possible details of cost.

OR

Q2.B.M/s. Naina Manufacturing Company manufactures two types of products viz. S and T. The information for the year ended on 31st March, 2024 is as under: **(20)**

Particulars	S (Rs.)	T (Rs.)
Direct material per unit	150	160
Direct labour per unit	80	70
Direct expenses per unit	50	90

Additional Information:
(1) Factory expenses are charged at 25% of prime cost.
(2) Office expenses are charged at 30% of works cost.

(3) 3,000 units of product S were produced of which 2,500 units were sold and 6,000 units of product T were produced of which 5,400 units were sold.
(4) Selling expenses are Rs.12 per unit for product S and Rs.20 per unit for product T.
(5) Company charges a profit at 20% on sales for Product S & 25% on sales for Product T.
Prepare a cost sheet showing the cost and profit in total as well as in per unit.

Q3.A. A steel manufacturing company uses steel sheets for the production and provides you the following details. **(10)**

Maximum usage = 500kg per day
Normal usage = 300 kg per day
Minimum usage = 200 kg per day
Maximum re-order period = 15 days
Minimum re-order period = 5 days
Average reorder period = 10 days
Re-order quantity = 3000 kg
Calculate re-order level, maximum level, minimum level and average level.

Q3.B. From the following particulars, prepare Reconciliation Statement and Ascertain Costing Profit/ Loss. Net Profit as per financial P&L A/c ₹20,400, Opening Stock was overvalued by ₹1500 in Cost Accounts as compared to financial accounts. Office overheads charged in Financial Books ₹15,000 but recovered in Cost ₹ 20,000 **(10)**
Loss by fire ₹600.
Goodwill written off recorded in financial ₹5,000
Closing Stock as per financial books ₹4,000
Whereas in Cost books it was ₹5,400.

OR

Q3.C. From the following details find the amount of closing stock under weighted average method for the month of September 2024 **(10)**

1.9.24 Opening Stock: 250 units at ₹10 each			
Purchases		**Issues**	
5.9.24	150 units at ₹12 each	10.9.24	120 units
15.9.24	100 units at ₹14 each	20.9.24	80 units
25.9.24	200 units at ₹16 each	30.9.24	150 units

Q3.D. From the following, prepare a statement of reconciliation and find-out profit/loss as per financial records. **(10)**

PARTICULARS	Rs
Profit as per Cost Records	1,87,000
Interest on Bank loan	1050
Provision for Income Tax	40,300
Loss on sale of Asset in Financial A/c	5,700
Interest received	8,750
Depreciation in Financial A/c	11,200
Depreciation in Cost A/c	12,500

Q4A. The following particulars apply to a particular job:
Standard production per hour: 15 units
Standard working hours: 16
Normal rate per hour: Rs.30
Geetha produced 180 units
Vineetha produced 216 units
Rakshitha produced 264 units
Calculate the wages of these workers under Differential Piece Rate System 80% of the piece rate when output is below standard & 120% above standard.

Q4.B. Calculate the machine hour rate for the following machine **(10)**

Cost of machine	Rs	116000
Estimated scrap value	Rs	16000
Estimated working life	Hours	20000
Estimated maintenance cost during working life of machine	Rs	2400
Power used per machine per hour	Rs	1
Rent and Rates per month	Rs	3000
Normal Machine running hours during a month		180
Standing charges (other than rent and Rates) Per month	Rs	400

OR

Q4.C. Standard output per hour is 100 units. Actual output in a 40 hour week is 5,000 units. Wage rate is Rs.75 per hour. Calculate Total Earnings under: **(10)**

i. Time Rate
ii. Piece Rate
iii. Halsey Premium System
iv. Rowan Premium System

Q4.D. From the following particulars given below, prepare a statement showing primary distribution of overheads: **(10)**

		Production Departments			Service Departments	
		A	B	C	X	Y
Direct Materials	Rs	3000	2500	2000	1500	1000
Employees	Number	100	150	150	50	50
Factory Electricity	Kwh	8000	6000	6000	2000	3000
Light Points	Number	10	15	15	5	5
Assets Value	Rs	50000	30000	20000	10000	10000

Particulars	Rs
Stores Overheads	40000
Motive Power	150000
Electric Lighting	20000
Labour Welfare	300000
Depreciation	600000

Q5. Answer the following questions. **(10 marks each)**

A. What are the objectives of cost accounting?
B. Explain classification of overheads based on behavior of cost?

OR

Q5. Write short notes **(Any four out of six).** **(20)**

a) Cost ascertainment
b) FIFO
c) Gantt's Task
d) Distinction between cost allocation and cost apportionment
e) Prime cost
f) Reconciliation of cost and financial accounts

****

Paper / Subject Code: 23101 / Financial Accounting and Auditing Paper VII - Financial Accounting

23/10/24

Liab TYBCom (sem-V)

23/10/24

Regular

Time: 3 hrs. **Total Marks: 100**

N.B. 1) All questions are compulsory

2) Figures to the right indicate full marks

3) Working notes should form part of your answer

4) Use of simple calculator is allowed

Q. 1 A. State whether the following statements are true or false (Any Ten) **(10)**

1. The preparation of final accounts for companies excludes the cash flow statement.
2. AS 1 requires the disclosure of accounting policies in the final accounts of companies.
3. Outstanding expenses and income do not need to be adjusted in the final accounts preparation.
4. Depreciation is considered an adjustment in the preparation of final accounts.
5. Internal reconstruction and external reconstruction refer to the same process.
6. The buyback of shares can only be conducted under specific legal provisions and restrictions.
7. Ethical behavior in accounting does not have any implications for corporate governance.
8. The principle-based approach to accounting emphasizes the importance of ethical values.
9. Whistle-blowing plays a diminishing role in promoting ethics within organizations.
10. Bad debts should be accounted for in the preparation of final accounts.
11. Investment accounting under AS-13 only applies to fixed income bearing securities.
12. The accounting standard setting process is influenced by ethical considerations.

Q. 1 B. Select the most appropriate option from the given options and rewrite the sentence (Any Ten) **(10)**

1. Which of the following is excluded from final accounts?
   A) Income statement B) Balance sheet
   C) Cash flow statement D) Shareholders' equity
2. AS 1 requires the disclosure of:
   A) Tax liabilities B) Accounting policies C) Audit reports D) Revenue forecasts
3. Which adjustment is NOT typically made in final accounts?
   A) Closing stock B) Depreciation C) Capital gains tax D) Outstanding expenses
4. What differentiates internal reconstruction from external reconstruction?
   A) Legal approval needed B) Involvement of new investors
   C) Shareholder impact D) Complexity of process
5. Buyback of shares requires compliance with:
   A) No restrictions B) Specific legal conditions
   C) Only minority shareholder approval D) Shareholder consensus
6. Ethical behavior in accounting influences:
   A) Financial performance only B) Corporate governance
   C) Personal relationships D) Software design
7. Which approach emphasizes ethical values?
   A) Rules-based B) Principal-based C) Compliance-based D) Risk-based

8. Whistle-blowing helps to:
   A) Discourage transparency
   B) Identify unethical practices
   C) Promote silence
   D) Protect management
9. Bad debts are:
   A) Ignored in accounts
   B) Deducted from income
   C) Added to assets
   D) Recorded as revenue
10. AS-13 applies to:
   A) Only shares
   B) Only debentures
   C) Both variable and fixed income securities
   D) No securities
11. Proposed dividends must be:
   A) Ignored
   B) Included as an expense
   C) Recorded only if declared
   D) Transferred to reserves
12. A company can alter its share capital by:
   A) Issuing shares at par
   B) Reducing capital
   C) Changing shareholder rights
   D) All of the above

Q.2 A) Following is the Trial Balance of Purva Ltd; as on 31st March 2024: **(20)**

Debit	Amount Rs.	Credit	Amount Rs.
Land & Building	7,00,000	Share Capital:	
Furniture	2,00,000	1,00,000 Equity Shares of Rs.	
Plant & Machinery	6,00,000	10 each	10,00,000
Motor Vehicle	7,00,000	10% Debentures (01/04/2023)	8,00,000
Salaries & Wages	1,44,000	Provision for Tax (2022-23)	1,40,000
Rent & Taxes	36,000	Sundry Creditors	1,80,000
Travelling expenses	32,000	Bills Payable	80,000
Printing & Stationery	34,000	General Reserve	3,60,000
Motor Vehicle Expenses	16,000	Securities Premium	40,000
Repairs of Machinery	33,000	Capital Reserve	30,000
Stock (01/04/2023)	1,88,000	Profit & Loss a/c (01/04/2023)	1,10,000
Debtors	2,90,000	Sales	23,90,000
Cash	16,000	Interest on Investment	15,000
Bills Receivables	60,000		
10% Investments	3,00,000		
Interest on Debentures	32,000		
Advance Tax			
For 2022-23	1,44,000		
For 2023-24	1,20,000		
Purchases	15,00,000		
	51,45,000		51,45,000

Additional information:

1) Stock on 31st March 2024 was valued at Rs. 3,00,000.
2) Depreciation on Land & Building is to be provided @ 5%, On Plant & Machinery @ 10%, On Furniture @ 10% and on Motor Vehicle @ 20% p.a.
3) Debtors include debts due for more than 6 months is Rs. 40,000

4) 10% Dividend is proposed by the directors.
5) Provision for taxation is to be made @ 50% on the current year's profit.
6) The market value of the Investment on 31st March 2024 was Rs. 3,60,000.
7) Interest on Investment is due for 6 months but not received.
8) Authorized Share capital of the company is Rs. 20,00,000 divided into 2,00,000 Equity Shares of Rs. 10 each.

You are requested to prepare a Profit and Loss account for the year ended 31st March 2024 and Balance Sheet as on that date.

OR

Q.2 B) Following is the summarized Balance Sheet of Canisha Ltd. As on 31 March 2024. **(20)**

Liabilities	Amt	Assets	Amt
12,000- 8% Preference Share of 100 each	12,00,000	Goodwill	2,00,000
1,00,000 Equity Shares of 10 each	10,00,000	Plant & Machinery	6,00,000
Capital Reserve	1,00,000	Furniture	2,00,000
6% Debentures of 100 each	6,00,000	Stock	3,00,000
Interest due on Debentures	1,00,000	Sundry Debtors	1,50,000
Sundry Creditors	3,60,000	Bank & Cash Balance	2,50,000
		Discount on Debentures	60,000
		Land & Building	6,00,000
		Profit & Loss A/C (Dr.) Balance	10,00,000
	33,60,000		33,60,000

Note : Preference dividend is in arrears for three years.

The followings scheme of reconstruction was prepared and duly approved by the court:
1. The preference shares shall be converted into an equal number of 10% preference shares of 50 each.
2. The equity shares shall be reduced to 4 each. However, the face value will remain the same.
3. 6% debentures shall be converted into equal number of 9% debentures of 75 each. The debenture holders also agreed to waive 50% of the interest due.
4. Arrears of preference dividend is to be reduced to one year's dividend which is paid in cash.
5. The Sundry creditors agreed to waive 30% of their claims and to accept equity shares for ₹60,000in part settlement of their renewed claims.
6. The assets are to be revalued as under: Land &Building ₹7,00,000, Plant & Machinery ₹5,00,000, Furniture₹1,60,000, Stock₹2,00,000 &Sundry Debtors ₹1,40,000.
7. Write off Profit & Loss A/c (Dr.) Balance, Intangible & fictitious assets.
8. Reconstruction expenses were ₹2000.

Pass Journal Entries in the books of Canisha Ltd. to record the above transactions. Also Prepare Capital Reduction A/c.

Q.3 A) On 1st April 2023, Mr. Rajiv had 80,000 Equiry Shares of Rs. 10 each of XY Ltd; purchased at a cost of Rs. 20 per share.

On 30th April 2023, Mr. Rajiv Purchased 20,000 Equity Shares of Rs. 10 each of AB Ltd; at Rs. 30 per share. On the same day he also purchased 40,000 Equity Shares of XY Ltd; at Rs. 15 each.

On 30th June 2023 he sold 4,000 Equity Shares of AB Ltd; @ Rs. 25 per share.

On 1st August 2023, Board of Directors of XY Ltd announced the Right issue of Equity Shares, in the ratio of one share for every three shares held, at Rs. 25 each. Full amount of Right shares was payable by 15th August 2023. Shareholders were allowed to renounce their right either in part or full to the outsiders. Mr. Rajiv renounced 50% of his right at Rs. 10 per share and subscribed for the balance.

On 31st August 2023 AB Ltd; Declared a dividend @ Rs. 3 per share for the year ended 31st March 2023.

On 30th September 2023 XY Ltd; Issued one bonus share for every four shares held as on that date.

On 31st December 2023 Mr. Rajiv Sold 11,200 Equity Shares of XY ltd; at Rs. 35 per share and 4,000 Equity Shares of AB Ltd; at Rs. 25 per share.

You are required to prepare:

1) Investment in Equity Shares of XY Ltd; A/c and
2) Investment in Equity Shares of AB Ltd; A/c in the books of Mr. Rajiv for the year ended 31st March 2024. **(20)**

OR

Q.3 B) Complete the following Fixed Assets Schedule of Jaydeep ltd; **(10)**

Asset	Gross Block				Depreciation				Net Block	
	Opening 01/04/23	Addition	Deduction	Closing 31/3/24	Opening 01/04/23	Addition	Deduction	Closing 31/3/24	Opening 01/04/23	Closing 31/3/24
Land	**?**	**-**	**-**	**?**	**-**	**-**	**-**	**-**	**?**	**2,00,000**
Building	**6,00,000**	**-**	**?**	**?**	**75,000**	**10,000**	**25,000**	**60,000**	**?**	**3,40,000**
Plant & Machinery	**28,00,000**	**-**	**-**	**?**	**11,20,000**	**2,80,000**	**-**	**?**	**?**	**?**
Total	**36,00,000**	**-**	**2,00,000**	**34,00,000**	**11,95,000**	**2,90,000**	**25,000**	**14,60,000**	**24,05,000**	**19,40,000**

Q.3 C) Arjun ltd; provided the following data: **(10)**

Particulars	Amount Rs.
40,000 Shares of Rs. 100 each, Rs. 70 per Share paid up	28,00,000
General Reserve	4,00,000
Profit & Loss Account	30,00,000
Securities Premium	6,00,000
Bank loan (Long term)	15,00,000
Other long term loan	5,00,000

Keeping in view all legal requirements, ascertain the maximum number of Equity Shares that can be bought back by the company at a maximum possible offer price.

Q.4 A) Following is the summarized Balance Sheet of Ditya Ltd. As on 31 March 2024: **(20)**

Liabilities	Amt	Assets	Amt
10% Preference Share of 100 each	6,00,000	Goodwill	80,000
1,00,000 Equity Shares of 10 each	10,00,000	Other Fixed Assets	11,20,000
Unsecured Loan	50,000	Investment (Mkt Value 50,000)	65,000
6% Debentures of 100 each	6,00,000	Stock	7,00,000
Interest due on Debentures	1,08,000	Sundry Debtors	80,000
Loan from Bajaj Finance (Including 15,000 Outstanding Interest)	1,15,000	Bills Receivable	67,000
Sundry Creditors	69,000	Profit & Loss A/C (Dr.) Balance	4,30,000
	25,42,000		25,42,000

Note: Preference dividend is in arrears for One years.

1. Preference shareholders to give up their claims, inclusive of dividends to the extent of 30% and balance to be paid off.
2. Debenture holders agree to give up their claims to receive interest in consideration of their rate of interest being enhanced to 10% henceforth.
3. Bajaj Finance agree to give up 50% of their interest outstanding in consideration of their claim being paid off at once.
4. Sundry creditors would like to grant a discount of 5% if they were to be paid off immediately.

5. Balance of Profit & Loss Account, goodwill and 25% of the total sundry debtors to be written off.
6. Other Fixed assets to be written down by 1,20,000.
7. Investment to be reflected at their market value.
8. Cost of reconstructions is 2,350.
9. To the extent required, equity shareholders suffer on reduction of their rights.

Pass necessary Journal Entries in the books of the company assuming that scheme has been put through fully and prepare the Balance Sheet after reconstruction.

OR

Q.4 B) Following is the Balance Sheet of Mrunal Ltd; as on 31st March 2024. **(10)**

Liabilities	Amount Rs.	Assets	Amount Rs.
Equity Shares of Rs. 10 each Rs. 8 per share paid up	10,00,000	Fixed Assets	15,00,000
Security Premium	1,25,000	Investments	12,50,000
General Reserve	5,00,000	Bank	5,00,000
P & L a/c	6,25,000	Other Current Assets	12,50,000
10% Debentures	10,00,000		
Bank loans	2,50,000		
Sundry Creditors	10,00,000		
	45,00,000		**45,00,000**

After fulfilling all legal requirements, the company decided to buyback 31,250 Shares at an offer price of Rs. 20 per Share. For the purpose of redemption the company took the following steps:

i) Issued 20,000, 10% Preference Shares of Rs. 10 each at a premium of 10%.
ii) It sold 50% of Investments at a profit of 10%

Assuming that the buyback is actually carried out, you are requested to pass necessary journal entries in the books of the company.
(Calculation of Maximum number of Shares is not required)

Q.4 C) Mr. Parth holds 48,000, 12% Debentures of Rs. 10 each in Janki Ltd; as on 1st April 2023 at a cost of Rs. 5,60,000. Interest is payable on 30th June and 31st December every year. Mr. Parth provides you the further details: **(10)**

1) On 31st May 2023: 16,000, 12% Debentures were purchased at Rs. 1,63,200 cum interest.
2) On 31st October 2023: 16,000, 12% Debentures were purchased at Rs. 1,53,600 ex- interest.
3) On 1st December 2023: 24,000, 12% Debentures were sold for Rs. 2,58,000 cum interest.
4) On 31st January 2024: 32,000, 12% Debentures were sold for Rs. 3,09,200 ex interest.

You are requested to prepare Investment in 12% Debentures account in the books of Mr. Parth for the year ended 31st March 2024. The debentures were quoted at par on 31st March 2024.

Q.5 A) Why is ethical behavior important for accountants? Give examples of how unethical behavior can affect financial reports and companies. **(10)**

Q.5 B) What are the legal provisions for the buyback of shares under the Companies Act, how does it affect the company's debt –equity ratio? **(10)**

OR

Q.5 C) Write Short Notes (Any Four) **(20)**

1. Importance of Learning Ethics
2. Investment Accounting (AS 13)
3. Distinction: Internal vs External Reconstruction
4. Capital vs Revenue Expenditure
5. Whistle-Blowing in Accounting
6. Buy Back of Shares

****