

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS)] MAY- JUNE 2015

Paper Code: BCOM 206

Subject: Macro-Economics

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions.

- Q1 Write short notes on the following: **(3x5=15)**
(a) IS-LM Equilibrium
(b) Quantity theory of money
(c) Marginal efficiency of capital
(d) Relationship between savings and consumption
(e) Monetary policy
- Q2 What is Macro Economics? Discuss its features and importance. **(15)**
- Q3 Discuss circular flow of four sector economy. Explain relation between leakages and injections in circular flow. **(15)**
- Q4 What is National Income? How is it estimated? Discuss problems in estimation of National income. **(15)**
- Q5 Describe the Classical and Keynesian Theory of Income, Output and Employment. **(15)**
- Q6 What is money? Discuss measures of money supply. **(15)**
- Q7 Explain different theories of Inflation? Also discuss methods to control inflation. **(15)**
- Q8 What is Fiscal Policy? Explain its components and its significance for the development of Indian Economy. **(15)**
Pol. Budget, Govt Exp, Taxation, Public Service

End Term Examination

P.1

Second Semester [BCOM] May-June 2016

Paper Code: BCOM 206

Time : 3 Hours

Subject: Macro Economics

Max. Marks : 75

Note : Attempt any five questions. All questions carry equal marks.

Q1. Write short notes on the following:

a) Marginal efficiency of investment

Explanation : Section 5.4

b) Liquidity Preference Theory

Explanation : Sections 9.1, 9.1.1

c) Injections in circular flow

Explanation : Section 2.2

d) Measure of Money supply

Explanation : Section 9.4

e) Quantity theory of money

Explanation : Section 10.2

Q2. Define Macro Economics. How is it different from micro economics? Discuss its importance.

Explanation : Sections 1.2, 1.1, 1.4

Q3. Explain two and three sector models of economy. What are the limitations of these models?

Explanation : Sections 2.1, 2.1.1, 2.1.2

Q4. Discuss various methods of measuring National Income.

Explanation : Sections 2.5, 2.5.1, 2.5.2, 2.5.3

Q5. Explain Keynesian approach to consumption and investment.

Explanation : Sections 4.1, 5.1

Q6. Define money. Explain its measures. Discuss Friedman approach of demand for money.

Explanation : Sections 8.2, 8.3, 10.6

Q7. What is Inflation? Discuss its types. Also explain methods to control inflation.

Explanation : Sections 11.1, 11.2, 11.2.1, 11.2.2, 11.2.3, 11.5, 11.5.1

Q8. What is Monetary Policy? Explain quantitative measures and qualitative measures of monetary policy.

Explanation : Sections 12.1, 12.4

End Term Examination

Fourth Semester [BCOM (HONS.)] May 2017

Paper Code: BCOM 206

Subject: Macro Economics

Time : 3 Hours

Maximum Marks : 75

Note : Attempt any five questions including Q.No.1 which is compulsory.

Q1. Write short notes on the following:

(3×5=15)

a) Actual GDP and potential GDP

Explanation : Section 2.3.1

b) Marginal Efficiency of Capital

Explanation : Sections 5.2, 5.2.1, 5.2.2, 5.3

c) Liquidity Trap

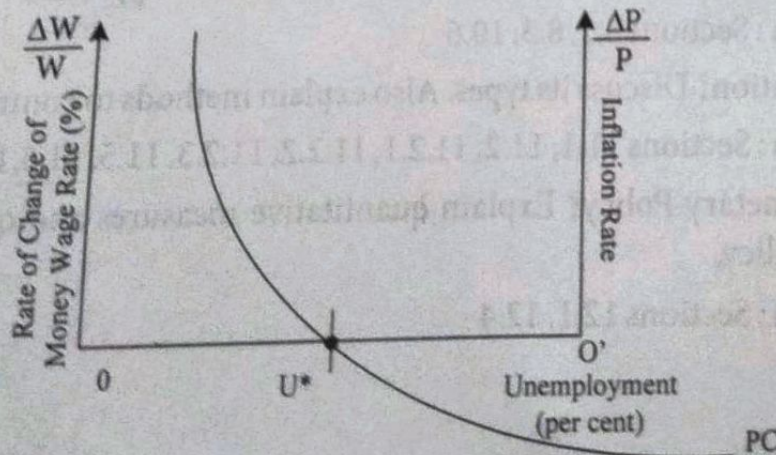
Explanation : Section 9.1.1 (3)

d) Fisher Quantity Theory of Money

Explanation : Sections 10.2, 10.2.1, 10.2.2, 10.2.3, 10.2.4

e) Philips Curve

Explanation : According to Philips, there exists an inverse relationship between changes in the rate of unemployment and changes in money wage rate or wage inflation. Conversely, there exists a positive relationship between the rate of inflation and the rate of employment. The inverse relationship between unemployment and inflation is depicted as a downward sloping, concave curve, with inflation on the Y-axis and unemployment on the X-axis. In other words, when unemployment rate increases, money wage rate decreases and when money wage increases, the unemployment rate decreases. This is mainly because of the fact that during boom, demand for labour increases, which increases bargaining power of the trade unions and thus wages increase. Thus, increase in unemployment lead to increase in the wage rate. When wages increase, the firms' cost of production increases. This leads to increase in price. It is also called wage inflation. That is, decrease in unemployment leads to wage inflation. The original Philips curve may be shown as follows.



Q2. Illustrate graphically the circular flow of income in four sector model. What is the effect of change in personal tax and government expenditure on the circular flow? Does a balance budget policy result in expansion or reduction in circular flow? (15)

Explanation : Sections 2.1, 2.1.3, 2.1.2

Q3. Explain the role of aggregate demand and aggregate supply in equilibrium determination under the Keynesian Theory of Employment. Which of the two is used to reduce unemployment in this theory? (15)

Explanation : Sections 3.3, 3.3.2, 3.3.3

Q4. What are the determinants of money multiplier? How is money multiplier affected when the central bank changes the statutory reserve requirements? (15)

Explanation : Section 9.5

Q5. How does inclusion of the government sector in two model economy affects the IS-LM model of equilibrium analysis? What new variables are added to the model and how do they affect the IS-LM schedule? (15)

Explanation : Sections 13.3, 13.4.3

Q6. What is balanced budget multiplier? Assuming a theoretical model for an economy prove that the balance budget multiplier is always equal to one. (15)

Explanation : Section 7.2.4

Q7. "Inflation is unjust and deflation is inexpedient, of the two deflation is worst". Elucidate. (15)

Explanation : Section 11.7

Q8. What is the importance of fiscal policy for the growth of an economy? Explain the various factors which affect the fiscal policy of an economy. (15)

Explanation : Sections 12.6, 12.7

(Please write your Exam Roll No.)

Exam Roll No.⁵

END TERM EXAMINATION

SECOND SEMESTER [B.COM(HONS).] MAY-JUNE 2018

Paper Code: BCOM-106

Subject: Macro-Economics

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 Macro economics examines 'forests' but not 'trees'. Analyse the statement in the light of scope and limitations of macro economics.
- Q2 Explain circular flow of income in three and four sector of economy.
- Q3 (a) Explain expenditure method of measurement of National Income.
(b) Discuss the problems associated with measurement of National Income in India.
- Q4 Explain Keynes Theory of full employment and income and discuss how it differs from the postulates of classical economists.
- Q5 Discuss Friedman's Quantity Theory of Money and mention the criticism it is subjected to.
- Q6 What are the different measures of money supply? Explain them in detail.
- Q7 Discuss IS-LM model and analyse its relevance and implications for economic policy making.
- Q8 Write short notes on the following:-
(a) Leakages and injections in circular flow model.
(b) Marginal efficiency of Capital and Investment.
(c) Instruments of fiscal policy.

END TERM EXAMINATION

SECOND SEMESTER [B.COM(HONS.)] MAY - JUNE 2019

Paper Code: B.COM-106

Subject: Macro Economics

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1 (a) Discuss critically GDP as a measure of economic welfare.
 (b) Why do economists use real GDP rather than nominal GDP to gauge economic well-being?
- Q2 Discuss the circular flow of Income in 2, 3 and 4 sector Economy. State the importance of Government in ensuring the smooth flow of goods and services.
- Q3 Trace out the effect of an increase in autonomous expenditure on equilibrium output in simple Keynesian model. What happens to equilibrium income if MPC rises or falls?
- Q4 What is multiplier? How does it work in an economy? Explain why an increase in government spending has a greater multiplier effect on equilibrium output compared to an equal reduction in taxes.
- Q5 Define Money. What are its functions? Discuss Fisher's version of Quantity Theory of Money.
- Q6 What is the meaning of Inflation? What are its types? Discuss various measures to control inflation in an economy.
- Q7 What are the tools used to implement the monetary policy? Explain how the tightening of monetary policy leads to fall in the money stock of the economy.
- Q8 Describe the IS and LM curves. How can these be used to derive the Aggregate Demand Curve?

(Please write your Exam Roll No.)

Exam Roll No. 01614188818

END TERM EXAMINATION

SECOND SEMESTER [BCOM(HONS.)] MAY 2019

Paper Code: BCOM 104

Subject: Business Law & Company Law

Time : 3 Hours

Maximum Marks : 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1. Explain briefly the legal provisions relating to communication of 'offer' and 'acceptance'. Also state on what grounds does an offer stands revoked. How can an acceptance be revoked?
- Q2. Distinguish between the following:
a) Contract of Indemnity & Guarantee
b) Contract of Bailment & Pledge
- Q3. Explain in brief the rules relating to the delivery of goods. Explain with examples the rules relating to i) Part delivery ii) Delivery by installments iii) Delivery of wrong quantity.
- Q4. Distinguish between 'condition' and 'warranty'. Briefly discuss the implied conditions and warranties in a contract of sale.
- Q5. What is a negotiable instrument? What are its essential characteristics? What are the legally permitted presumptions in respect of a negotiable instrument?
- Q6. Distinguish between
a) A 'Bill of Exchange' & a Promissory Note'.
b) Negotiation & Assignment
c) Ambiguous Instrument & Inchoate Instrument
- Q7. What is a 'memorandum of association'? What are its different clauses? How can the liability clause be altered?
- Q8. Write a short note on any three:
a) Prevention of oppression and mismanagement
b) Essential conditions of a valid meeting
c) Rights of an unpaid seller
d) Alteration of Articles of Association.

(Please write your Exam Roll No.)

Exam Roll No.

END TERM EXAMINATION

SECOND SEMESTER [BBA] MAY-JUNE 2018

Paper Code: BCOM-104

Subject: Business Laws and Company Laws

Time : 3 Hours

Maximum Marks :75

Note: Attempt all questions as directed. Internal Choice is indicated.

- Q1 Define and explain the following definitions given in relevant laws: (2.5x10=25)
- Consideration
 - Contract of sale
 - Prospectus
 - Share capital
 - Holder in due course
 - Statutory meeting
 - Preference Shares
 - Indemnity
 - Proposal
 - Unpaid Seller

UNIT-I

- Q2 Promise made by husband to his wife will not create any legally binding obligations. Explain using relevant case law. (12.5)

OR

- Q3 The Indian Contract Act, 1872 contains explicit provisions under which certain agreement are expressly declared as void agreements. Briefly discuss such void agreements. (12.5)

UNIT-II

- Q4 Conditions and warranties are considered as exceptions to the general rule of 'caveat emptor'. Discuss. (12.5)

OR

- Q5 Explain the circumstances under which sale by non-owners is regarded as legitimate sale and the buyer acquires better title than that of the seller over the goods. (12.5)

UNIT-III

- Q6 Explain the contents of Memorandum of Association (MoA) and its significance under the 'doctrine of ultravires'. (12.5)

OR

- Q7 Discuss the provisions related to the appointment of Directors of a company and their role vis-à-vis the company and share holders. (12.5)

UNIT-IV

- Q8 Explain different types of Negotiable Instruments and discuss the characteristics of each type of negotiable instrument. (12.5)

OR

- Q9 (a) The rights of a holder in due course are superior to the rights of a holder. Elucidate. (6.5)
(b) Briefly explain different types of crossing of cheques. (6)

(Please write your Exam Roll No.)

Exam Roll No. 035.....

END TERM EXAMINATION

SECOND SEMESTER [B.COM(HONS.)] MAY-2017

Paper Code: B.COM-108

Subject: Business Laws

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions including Q.No1 of Part A which is compulsory. Select four questions from Part B.

PART-A

- Q1 Define the following (Attempt any three):- (5x3=15)
- (a) Doctrine of Caveat Emptor
 - (b) Crossing of cheques
 - (c) Quasi Contract
 - (d) Contract of bailment and agency

PART-B

- Q2 "Insufficiency of consideration is immaterial, but an agreement without consideration is void". (15)
- Q3 Examine the various ways in which a contract may be discharged? (15)
- Q4 Define a Contract of Sale. Distinguish between a contract of sale and an Agreement to Sell. (15)
- Q5 (a) What do you understand by Condition and Warranties. (7.5)
(b) Parmod bought a bike from Manoj who had no title to it. Parmod used the bike for several weeks. After that the true owner came forward and demanded the bike. State the right of Parmod and the true owner of the bike. (7.5)
- Q6 Define a Promissory Note and State its main characteristics. Distinguish it with a Bill of Exchange. (15)
- Q7 What do you understand by Limited Liability Partnership (LLP). How it is different from a Company and Partnership? (15)
- Q8 (a) Discuss the provision of incorporation of Limited Liability Partnership (LLP) firm. (7.5)
(b) Who can be a holder-in due-course? What are his privileges? (7.5)

P

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS)] MAY - JUNE 2015

Paper Code: BCOM-202

Subject: Corporate Accounting

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions.

Q6 The following particulars relate to a Limited Company which has gone into voluntary liquidation. You are required to prepare the Liquidator's Statement of Account allowing for his remuneration @ 2.5 % on all assets realized excluding call money received and 2% on the amount paid to unsecured creditors including preferential creditors.

Share capital issued:

- 10,000 Preference shares of Rs.100 each fully paid up.
 - 50,000 Equity shares of Rs.10 each fully paid up.
 - 30,000 Equity shares of Rs.10 each, Rs.8 paid up.
- Assets realized Rs.20,00,000 excluding the amount realized by sale of securities held by partly secured creditors.

	Rs.
Preferential creditors	50,000
Unsecured creditors	18,00,000
Partly secured creditors (Assets realized Rs. 3,20,000)	3,50,000
Debenture holders having floating charge on all assets of the company	6,00,000
Expenses of liquidation	10,000

A call of Rs.2 per share on the partly paid equity shares was duly received except in case of one shareholder owning 1,000 shares and also calculate the percentage of amount paid to the unsecured creditors to the total unsecured creditors. (15)

Q7 What are the circumstances in which there may be a need for valuation of shares of joint stock company? How will you determine the intrinsic value of one equity share of a joint stock company? Explain with the help of an illustration. (15)

Q8 Write short notes on any three of the following: (3x5=15)

- (i) Assets classification in case of Banking Companies
- (ii) Reconstructing Scheme
- (iii) Reserve for Unexpired Risk in case of Insurance Companies
- (iv) Reasonable Return in case of Electricity Companies
- (v) Issue of Bonus Shares

Q1 Rao Galvansing Co.Ltd. has an authorized equity capital of Rs. 20 lakhs divided into shares, of Rs. 100 each. The paid up capital was Rs. 12,50,000. Besides this, the company had 9% Redeemable Cumulative Preference Shares of Rs. 10 each for Rs. 2,50,000. Balance on other accounts were Securities Premium, Rs.18,000, Profit and Loss Account Rs. 72,000 and General Reserve Rs. 3,40,000. Included in Sundry Assets were Investments of the face value of Rs. 30,000 carried in the books at a cost of Rs. 34,000.

The company decided to redeem the Cumulative Preference Shares at 10% Premium, partly by the issue of equity shares of the face value of Rs. 1,20,000 at a premium of 10%. Investments were sold at 105% of their face value. All preference shareholders were paid off except 3 holders holding 250 shares.

After redemption of the Cumulative Preference Shares, fully paid bonus shares were issued in the ratio of 1:4.

Give the necessary journal entries bearing in mind that the Directors wanted a minimum reduction in free reserves, while effecting the above transactions. Working should form part of your answer. (15)

Q2 The Balance Sheet of Suneel Brothers Ltd. Disclosed the following information on 31st December, 2012.

	Rs.
15% Debentures	15,00,000
Debentures redemption fund	11,63,600
Debenture redemption fund investments:	
10% Government securities	11,63,600

The contribution to the Debenture redemption fund was 1,30,800 per annum for the year 2013 and 2014. Debentures fell due for payment on 31st December, 2014. Prepare the above accounts in the books for the company assuming that securities were realized on 31st December, 2014 for a sum of Rs. 13,52,000 and interest on Securities on 31st December, was immediately invested. (15)

P/L

P.T.O

[2]

Q3 The following in the Tri Balance of Subhash Limited as on 31.03.2012:

(Figures in Rs.000)

Debit	Rs.	Credit	Rs.
Land at cost	110	Equity Capital (Shares of Rs.10 each)	150
Plant & Machinery at cost	385	10% Debenture	100
Debtors	48	General reserve	65
Stock (31.03.2012)	43	Profit and Loss A/C	36
Bank	10	Securities premium	20
Adjusted purchases	160	Sales	350
Factory expenses	30	Creditors	26
Administration expenses	15	Provision for depreciation	86
Selling expenses	15	Suspense A/c	2
Debenture interest	10		
Interim dividend paid	9		
	835		835

Additional Information

- (a) On 31.03.2012, the company issued bonus shares to the shareholders on 1:3 basis. No entry relating to this has yet been made.
- (b) The authorized share capital of the company is 25,000 shares of Rs. 10 each.
- (c) The company on the advice of an independent valuer wishes to revalue the land at Rs. 1,80,000.
- (d) Proposed final dividend 10%
- (e) Suspense account of Rs. 2,000 represents cash received for the sale of some of the machinery on 1.04.2011. The cost of the machinery was Rs. 5,000 and the accumulated depreciation thereon being Rs.4,000.
- (f) Depreciation is to be provided on plant and machinery at 10% on cost.

You are required to prepare Subhash Limited's profit and loss account for the year ended 31.03.2012 and a balance sheet on that date as per the provisions of Revised Schedule VI of the Companies ACT, 1956. (15)

Q4 The following are the Balance sheets of H. Ltd. and its subsidiary S Ltd. as on 31st December, 2011.

Balance Sheet As on 31st December, 2011

Liabilities	H Ltd Rs.	S Ltd. Rs.	Assets	H.Ltd.Rs.	S Ltd. Rs.
Share Capital in Rs. 1 share	10,000	8,000	Building	4,000	-
Reserve	4,000	3,000	Plant	1,000	6,000
Bills Payable	2,000	1,000	Stock	4,000	6,000
Creditors	5,000	4,000	Shares in S	6,000	-
P.& L.A/c	4,000	2,000	Debtors	5,000	3,000
			Bills Receivable	3,000	2,000
			Cash	2,000	1,000
	25,000	18,000		25,000	18,000

P.T.O

[3]

Debtors of H.Ltd. include Rs. 2,000 due from S Ltd. and bills payable of H Ltd. included a bill of Rs. 500 accepted in favour of S Ltd. A loan of Rs. 1,000 given by H Ltd. to S Ltd. was also included in the items of debtors and creditors, respectively. Rs. 500 was transferred by S Ltd. from Profit and Loss Account to Reserve Out of current year's profit. Shares were purchased on 30 June, 2011 at par. Prepare a Consolidated Balance Sheet. (15)

Q5 Blue Ltd. and Star Ltd. were amalgamated on and from 1st April, 2012. A new company called Yellow Star Ltd. was formed to take over the business of the above said companies. The balance sheets of Blue Ltd. and Star Ltd. as on 31st March, 2012 are given here under:

	(Rs. In lakhs)	
	Blue Ltd.	Star Ltd.
Liabilities:		
Share capital:		
Equity shares of Rs.100 each	2,000	1,600
15% Preference share of Rs.100 each	800	600
Revaluation reserve	200	160
General Reserve	400	300
Profit and Loss Account	160	120
12% Debenture of Rs.100 each	192	160
Current Liabilities	408	190
	4,160	3,130
Assets:		
Fixed assets	2,400	2,000
	1,760	1,130
Current assets loans and advances	4,160	3,130

Additional Information:

- (i) Preference shareholders of Blue Ltd. and Star Ltd. have received same number of 15% preference shares of Rs. 100 each in the new company.
- (ii) 12% Debentures of Blue Ltd. and Star Ltd. are discharged by the new company by issuing adequate number of 16% debentures of Rs.100 each to ensure that they continue to receive the same amount of interest.
- (iii) Yellow Star Ltd. has issued 1.5 equity shares for each equity share of Blue Ltd. and 1 equity share for each equity share of Star Ltd.

The face value of shares issued by Yellow Star Ltd. is Rs.100 each. You are required to prepare the balance sheet of Yellow Star Ltd. as on 1st April, 2012 after the amalgamation has been carried out using the 'pooling of interest method.' (15)

P.T.O

[4]

Q6 The Balance Sheet of Toy gun Manufacturing Co. Ltd. discloses the following financial position as at 31 March, 2013.

Liabilities	Rs.	Assets	Rs.
Paid-up capital: 30,000 shares of Rs. 10 each fully paid	3,00,000	Goodwill at cost	30,000
Capital Reserve	60,000	Land and Building at cost (Less: Depreciation)	1,75,000
Sundry creditors	71,000	Plant and machinery at cost (Less: Depreciation)	90,000
Provision for taxation	55,000	Stock at cost	1,15,000
Profit and Loss A/C	26,000	Back debts - 98,000 Less: Provision for doubtful debts -3,000	95,000
		Cash at bank	7,000
Total	5,12,000	Total	5,12,000

The following additional information is also supplied:

- Adequate provision has been made in the accounts for income-tax and depreciation.
 - Rate of income-tax may be taken at 50%.
 - The average rate of dividend declared by the company for the past five-years was 15 per cent.
 - The reasonable return on capital invested in the class of business done by the company is 12 per cent.
- You are required to value the goodwill of the company according to: (8+7=15)
- Super Profit Method and
 - Capitalisation of Profit Method

Q7 Write short notes on **any three** of the following:- (3x5=15)

- Issue of Bonus shares
- Book-Building
- Liquidator's Statement of Account
- Methods for Valuation of Shares
- Valuation Balance Sheet in Life Insurance Business.

(Please write your Exam Roll No.)

Exam Roll No. 016

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS.)] MAY-JUNE 2016

Paper Code: BCOM-202

Subject: Corporate Accounting

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions.

- Q1 A company offered for public subscription 10,000 shares of Rs. 10 each at Rs. 11 per share. Money was payable as follows:
Rs 3 on application
Rs 4 on allotment
Rs 4 on first and final call
Applications were received for 12,000 shares and the directors made *pro rata* allotment.
A, an applicant for 120 shares, could not pay the allotment and call moneys. B, a holder of 200 shares, failed to pay the call. All these shares were later on forfeited.
Out of the forfeited shares 150 shares (the whole of A's shares being included) were issued at Rs.9 per share. Pass journal entries for the above transactions. (15)

- Q2 The following are the balances of Johri Albhushanb Bhandar Co. Ltd. as on 31st March, 2013:

Debit	Rs.	Credit	Rs.
Premises	30,72,000	Share capital	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	P&L Account	2,62,500
Debtors	8,70,000	Bills payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash and Bank	4,06,500	Sales	41,50,000
Calls in Arrear	75,000	General Reserve	2,50,000
Interim dividend paid	3,92,500	Bad Debt. Provision on 01.04.2012	35,000
Purchases	18,50,000		
Preliminary Expenses	50,000		
Wages	9,79,800		
General Expenses	68,350		
Salaries	2,02,250		
Bad debts	21,100		
Debentures Interest paid	1,80,000		
Total	1,24,67,500	Total	1,24,67,500

Information:-

- Depreciate Plant by 15%
- Write off Rs. 5,000 from Preliminary Expenses
- Half-year's Debenture Interest due
- Credit 5% Provision on Debtors for doubtful Debts
- Provide for Income Tax @50%
- Stock on 31st March, 2013 was Rs 9,50,000
- A claim of Rs. 25,000 for workmen's compensation is being disputed by the company.
Prepare Final Accounts of the company for the year ending 31st March, 2013. (15)

(Please write your Exam Roll No.)

Exam Roll No.

35414188515

END TERM EXAMINATION

FOURTH SEMESTER [B.COM] MAY - JUNE 2017

Paper Code: B.COM-202

Subject: Corporate Accounting

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions including Q no.1 which is compulsory.

- Q1 Write short notes on the following- (5x3=15)
- Capital Redemption Reserve and Debenture Redemption Reserve
 - Utilization of Securities Premium
 - Concept of purchasing of Debentures cum-interest and ex-interest, giving accounting treatment with imaginary figures.

- Q2 G Ltd. invited application for 20,000 equity shares of Rs. 10 each at Rs.12 payable as follows:
- On Application Rs. 2 per share, On Allotment Rs. 5 per share (including premium)
On First Call Rs. 3 per share, On Second Final Call Rs. 2 per share
- Applications were received for 30,000 shares and pro rata allotment was made on the applications for 24,000 shares. Money overpaid on application was employed on account of sum due on allotment. Ram, to whom 400 shares were allotted failed to pay the allotment money and on his subsequent failure to pay amount due on the first call his shares were forfeited. Ramesh, holder of 600 shares failed to pay the two calls and his shares were forfeited after the second call. Of the shares forfeited, 800 shares were re-issued to Karan credited as fully paid at Rs. 9 per share. Show the journal entries and the Balance Sheet of G Ltd. giving effect to the above transactions. (15)

- Q3 Balance Sheet of V Ltd. As on 31 March 2017

	Note. no.	Rs.
Equity and Liabilities		
Shareholder's funds		
(a) Share capital	1	65,00,000
(b) Reserves and surplus	2	4,40,000
Current liabilities		
Trade payables		1,60,000
Total		71,00,000
Assets		
Non-current assets		
Fixed assets		
Tangible		37,00,000
Current Assets		
Investment at cost		2,00,000
Inventories		12,00,000
Trade receivables		15,50,000
Cash at bank		4,50,000
Total		71,00,000
Notes to Accounts		
1. Share Capital		
12% Preference shares of Rs. 100 each fully paid		15,00,000
Equity shares of Rs. 10 each fully paid		50,00,000
		65,00,000
2. Reserve and Surplus		
Securities premium		40,000
Surplus		4,00,000
		4,40,000

The Board of Directors decided to redeem the Preference Share on 1st April, 2017 at a premium of 10%. The investments were sold at a loss of 25% on cost. For the purpose of the above redemption, the company issued sufficient number of equity shares of Rs. 10 each at a premium of Rs. 1 per share. The company maintains minimum cash balance of Rs. 1,00,000. Shortfall in cash, if any, was to be met by raising bank loan. You are required to give necessary Journal Entries and the Balance sheet after redemption in the books of the company. (15)

- Q4 From the following balances of B Ltd. for the year ended March 31st, 2017. Prepare final accounts of the company taking into account the additional information.

P.T.O.

B.COM-202
P/4

[-2-]

(a) Equity Share Capital 5,000 shares of Rs. 10 each	Rs. 50,000
(b) Building (cost 40,000)	30,000
(c) Furniture (cost 1,000)	500
(d) Motor Vehicles (cost 3,500)	3,000
(e) Investment in equity shares (Market value Rs. 22,000)	20,000
(f) Investment in 500 preference shares of Rs. 10 each Rs. 6 paid up	3,000
(g) Stock in trade C.A	20,000
(h) Bills Receivable C.A	5,000
(i) Accounts Receivable C.A	14,000
(j) Cash at Bank C.A	8,750
(k) 6% mortgage debentures	10,000
(l) Provision for tax	10,000
(m) Discount on issue of debentures	400
(n) Surplus	1,000
(o) Gross profit	50,000
(p) Dividend received	700
(q) Salaries	10,000
(r) Directors' Fees	400
(s) Interest paid on debentures	500
(t) Auditors Fees P.A	650
(u) Trade Expenses	11,000
(v) Accounts Payables	5,500

Additional Information:-

- Provide 10% depreciation on original cost of all assets.
- Provide Rs. 10,000 in respect of tax for current year.
- Write back Rs. 200 liability included in Accounts payables
- Market Value of stock Rs. 18,000.
- Proposed dividend @20% for the current year
- Write off discount on issue of debentures.

(15)

Q5

H Ltd. acquired 1200 equity shares in S Ltd on 01-04-2016. The Balance Sheets of H Ltd and its Subsidiary S Ltd. as on 31st March 2017 are as follows

Equity and Liabilities	H Ltd. Rs.	S Ltd. Rs.
Shareholders' Funds		
Equity Share Capital Rs. 100 each fully paid	5,00,000	1,50,000
Preference share Capital	1,00,000	
Reserves and Surplus		
General Reserve	3,40,000	6,000
Surplus	3,60,000	1,08,000
Current liabilities		
Creditors	1,00,000	44,150
Bills Payable		24,150
Total Equity and Liabilities	14,00,000	3,32,300
Assets		
Non-Current Assets		
Fixed Assets		
Land and Buildings	3,56,000	70,000
Plant and Machinery	1,40,000	91,300
Properties	3,76,000	40,000
Investments in S Ltd.	1,80,000	
Current Assets		
Stock	1,36,000	50,600
Debtors and Cash	2,12,000	80,400
Total Assets	14,00,000	3,32,300

The other information given are:-

P.T.O.

BCOM-202
P2/4

[-3-]

- (a) On 01-04-2016 surplus of S Ltd. stood at Rs. 77,500 and General Reserve at Rs. 3,000. Also, H Ltd. revalued Plant and Machinery of S Ltd. At the time of purchase of shares by Rs. 20,000 more than its book value (Ignore Depreciation).
- (b) S Ltd. made a bonus issue during the year out of pre-acquisition profits for Rs. 60,000 not recorded in the books. You are required to prepare the Consolidated Balance Sheet of H Ltd and its subsidiary S Ltd as on 31st March 2017. (15)

Q6

The position of M/s Nath&Co. Ltd as on 31-12-2016 stood as under:

Particulars	Rs.
Equity and Liabilities	
Shareholder's Funds	
3000 Equity Share Capital Rs. 100 each fully paid	3,00,000
2000 6% Preference Shares of Rs. 100 each fully paid	2,00,000
Reserves and Surplus	
Profit and Loss A/c (Debit)	(3,90,000)
Non Current Liabilities	
5% Debentures	1,00,000
Interest due on Debentures	10,000
Current Liabilities	
Creditors	1,50,000
Total Equity and Liabilities	3,70,000
Assets	
Non Current Assets	
Fixed Assets	
Land and Building	75,000
Plant and Machinery	90,000
Patents	20,000
Goodwill	80,000
Current Assets	
Stock	40,000
Debtors	39,000
Cash at Bank	6,000
Other currents assets	
Preliminary Expenses	20,000
Total Assets	3,70,000

A revaluation of assets reveals the following:-

Land and Building Rs. 95,000; Plant and Machinery Rs. 1,12,000; Stock Rs. 25,000; Debtors Rs. 32,000 and Patents Rs. 5,000.

The following scheme of reconstruction is framed and approved by the court:

- The 6% preference shares be converted into 7.5% preference shares of Rs. 30 each fully paid.
- The equity shares be converted into shares of Rs. 5 each, fully paid.
- The sundry creditors be given the option to either accept 50% of their claims in cash in full satisfaction or to convert their claims into shares of Rs. 5 each.
- The revaluation of assets be adopted.

One-third (in value) of the creditors accepted equity shares for their claims. The rest were paid cash which was raised by issuing 17,000 equity shares to the existing shareholders. All shares, including preference shares were then consolidated (or sub-divided) into equity shares of Rs. 10. In view of the unsatisfactory state of affairs of the company, the debenture holders agreed to forego the interest due on debentures.

Assuming that all necessary actions were taken, journalise the steps and also give the Balance Sheet after the scheme is put into effect. (15)

- Q7 Following is the Balance Sheet of B Ltd. as on 31st March, 2017.

P.T.O.

BCOM-202
P34

Particulars	Rs.
Equity and Liabilities	
Shareholders' Funds	
Equity Share Capital Rs. 10 each	5,00,000
2000 10% Preference Shares of Rs. 100 each	2,00,000
Reserves and Surplus	
Surplus Account	80,000
General Reserve	1,20,000
Non-Current Liabilities	
9% Debentures	1,00,000
Current Liabilities	
Creditors	1,50,000
Total Equity and Liabilities	11,50,000
Assets	
Non-Current Assets	
Fixed Assets	
Goodwill	75,000
Land and Buildings	3,20,000
Plant and Machinery	3,15,000
Current Assets	
Stock	2,20,000
Debtors	90,000
Bills Receivable	70,000
Cash at Bank	50,000
Other Current Assets	
Preliminary Expenses	10,000
Total Assets	11,50,000

A Ltd. acquired all assets and all liabilities of B Ltd. For the purposes of absorption the assets were valued as follows:

Goodwill	1,25,000
Land and Building	4,30,000
Plant and Machinery	3,00,000
Stock	2,00,000
Debtors	80,000
Bills Receivable	65,000

One fourth of purchase consideration was satisfied by the allotment of fully paid preference shares of Rs. 100 each at par which carried 12% dividend. On half of purchase consideration was paid in the form of fully paid equity shares of Rs. 10 each issued at par and the balance was paid in cash. The preference shares received from A Ltd were given to preference shareholders of B Ltd. in exchange of shares held by them. The cost of liquidation Rs. 10,000 was paid by B Ltd. out of cash received from A Ltd. Debenture holders of B Ltd. were discharged by issue of cash received from A Ltd. Debenture holders of B Ltd. were discharged by issue of 10% own debentures by A Ltd. You are required to:-

- (a) Prepare Realisation Account, Preference Shareholders Account, A Ltd Account, Equity Shareholders Account and Cash at Bank Account in the books of B Ltd. (15)
- (b) Pass Journal Entries in the books of A Ltd (15)

(a) The following information of a Commercial Bank on 31st March 2017. Calculate the amount of provision to be made for NPA's: (5)

(i) Standard assets	Rs.20,60,500	(iv) Doubtful assets (unsecured)	Rs.22,50
(ii) Sub standard assets	Rs.1,10,000	(v) Loss of assets	Rs. 15,00
(iii) Doubtfull assets (secured)			
upto one year	Rs.40,000		
1-3 years	Rs.25,000		
more than 3 years	Rs.15,000		

- (b) What is the treatment of Depreciation in case of Electricity Companies? (5)
- (c) State the features of insurance contracts and accounts of insurance companies. (5)

BCoM-202
P.111