

REMEDIAL WORKSHEET

TY BMS (FM) : Sem V

Financial Accounting V

Unit 1:- Preparation of Final Accounts of Companies

Q.1. Fill in the blanks. (1 Mk. each)

1. Unclaimed dividend is shown under _____. (Dec., 22)
2. Short term loan is the loan due for not more than _____. (Dec., 22)

Q.2. State whether the following statements True or False. (1 Mk. each)

1. Accounting policies adopted by a company should be disclosed as per AS – 1. (Dec., 22)
2. Interest is disclosed under cash and cash equivalent. (Dec., 22)

Q.3. Write short notes on. (5 Mks.)

1. Contingent Liability. (Dec., 22)

Q.4. Practical Question.

1. Poonam Limited furnishes you with the following Trial Balance as on 31st March, 2022.

Trial balance as on 31.03.2022.

(15 Mks. Nov., 22)

Particulars	Debit (₹)	Credit (₹)
Equity share capital: shares of 10/- each fully paid		50,00,000
Security Premium		22,10,000
Goodwill	1,00,000	
Patents	80,000	
General Reserve - as per last Balance Sheet		39,40,000
Capital Reserve		7,70,000
Cash Balance	20,000	
HDFC Bank – Current Account	1,00,000	
City Bank - Current Account	1,00,000	
Debtors	42,00,000	
Term Loan		4,50,000
Advance against salary	1,50,000	
Prepaid expenses	50,000	
Income received in advance		60,000
Sundry Creditors		20,00,000
Investment	80,00,000	
Furniture	10,50,000	
Machinery	7,50,000	
Inventory at Cost	20,00,000	
Bills Payable		1,70,000
Bills Receivable	50,000	
Income tax Provision		6,00,000
Advance tax Payment	5,50,000	
Profit and Loss A/c		20,00,000
	1,72,00,000	1,72,00,000

Additional Information:

1. Authorized share capital is ₹ 1 Core.
 2. Transfer ₹ 7, 00,000 to the General Reserve.
 3. Out of the Debtors ₹ 2, 00,000/- are outstanding for a period exceeding six months. All debtors are unsecured and considered good.
 4. Investment represent 10,00,000 Equity Share in X Ltd. of ₹ 10 each, ₹ 8 Paid up.
 5. Bill Discounted with bank worth ₹ 20,000 not matured till the Balance sheet date.
- You are required to prepare the Balance Sheet of Poonam Limited as on 31 March, 2022 as per Schedule III requirements companies Act, 2013.

2. Following is the extract of Trial Balance of Bhavik Ltd. As on 31st March 2022.

(15 Mks. Nov., 22)

Particulars		₹
Sales		1,00,00,000
Opening Stock		12,00,000
Purchase		30,00,000
Purchase Return		5,00,000
Interest Received		3,00,000
Freight		2,00,000
Salaries		50,000
Bonus to Employees		20,000
Depreciation on:		
Land and Building	3,00,000	
Plant and Machinery	2,00,000	
Furniture and Fixture	50,000	5,50,000
Interest Paid		6,00,000
Repairs and Maintenance		70,000
Electricity Charges		50,000
Rent, Rates and Taxes		50,000
Audit Fees		30,000
Advertisement Expenses		1,00,000
Sundry Expenses		10,000
Telephone Expenses		30,000

Additional Information

- Closing Stock is valued at ₹ 15,00,000.
- Outstanding Expenses are:
 - Salaries ₹10,000;
 - Electricity Charges ₹5,000;
 - Rent ₹ 3,000
- Miscellaneous income received ₹ 10,000.
- Prepaid Advertisement Expenses was ₹ 30,000
- Provide RDD ₹ 50,000
- Make a Provision for Tax ₹ 5,00,000.

You are required to Prepare Statement of Profit and Loss for the year ended 31st March 2022.

Unit 2:- Underwriting of Shares and Debentures

Q.1. Fill in the blanks. (1 Mk. each)

- When the entire issue is underwritten it is called _____. (Dec., 22)
- Total share for which guarantee is given by each underwriter individually is known as _____. (Dec., 22)

Q.2. State whether the following statements True or False. (1 Mk. each)

- When the issue is underwritten by two or more underwriters it is called as “soleunderwriting”. (Dec., 22)
- The applications forms received by the company without any stamp of any of the underwriters are known as Marked Application. (Dec., 22)

Q.3. Write short notes on. (5 Mks.)

- Net liabilities of underwriters. (Dec., 22)

Q.4. Practical Question.

(15 Mks., Dec., 22)

- Sapna Ltd. issued 90,000 equity shares of 20 each. The issue was underwritten as follows:
A 50%, B 25%, and C 25%. The company received a total number of 80,000 applications including

Firm Underwriters and Marked applications were as follows:

A: 30,000 shares, B: 15,000 shares and C: 5,000 shares.

The Firm Underwriting is A:5,000 shares ; B: 3,000 Shares; C: 2,000 Shares

Determine the liability of each of the underwriters, If

1. Benefits of Firm underwriting is given/Credit is given for firm underwriting.
2. Benefits of Firm underwriting is not given/Credit is not given for firm underwriting.

2. Sun Ltd. issued 30,000 debentures which are underwritten as follows: (7 Mks., Dec., 22)

Raj - 15,000 debentures, Rajan - 10,000 debentures and Sajan - 5,000 debentures.

The total subscriptions were 29,000 Debentures including marked applications were: Raj -10,000 debentures; Rajan - 4,000 debentures and Sajan - 1,000 debentures.

You are required to show the allocations of liability of each underwriter.

Unit 3:- Accounting of Transactions of Foreign Currency

Q.1. Fill in the blanks. (1 Mk. each)

1. An exchange rate on the date of balance sheet is known as _____. (Dec.,22)
2. Foreign currency is a currency _____. (Dec.,22)

Q.2. State whether the following statements True or False. (1 Mk. each)

1. Balance in Foreign Exchange Fluctuation A/c is transferred to capital A/c. (Dec., 22)
2. AS – 13 deals with accounting for Foreign Currency Transactions. (Dec., 22)

Q.3. Write short notes on. (5 Mks.)

1. Exchange Rates. (Dec., 22)

Q.4. Practical Question.

1. Vishal Ltd., exported goods to James Trading Company Germany worth US \$ 1,00,000 on (15 Mks.,Dec., 22)
20th January, 2022, on which date the exchange rate of 1 US \$ was ₹ 70.50.

The payment for the same was received as under:

Date of Payment	US \$ Received	Exchange Rate for 1 US \$
25.02.2022	25,000	₹ 70.75
23.03.2022	25,000	₹ 70.00
24.04.2022	25,000	₹ 72.60
28.05.2022	25,000	₹ 68.90

Vishal Ltd. closes its books on 31st March every year. The exchange rate on 31st March 2022 was 1 US \$, ₹ 68.00.

Pass Journal Entries for the following transactions in foreign currency in the books of 'Vishal Ltd. and prepare Foreign Exchange Fluctuation Account.

Unit 4:- Investment Accounting

Q.1. Fill in the blanks. (1 Mk. each)

1. Interest on securities is always calculated on _____. (Dec., 22)
2. Loss on sale of investment is _____. (Dec., 22)

Q.2. State whether the following statements True or False. (1 Mk. each)

1. Issue of bonus share is entered in N.V. column of Investment A/c. (Dec., 22)

2. The income for pre-acquisition period should be credited to Investment Account. (Dec., 22)

Q.3. Write short notes on. (5 Mks.) (Dec., 22)

1. Bonus Share.

Q.4. Practical Question. (15Mks.) (Dec., 22)

1. On 1st April, 2021; 500 6% debentures of ₹ 100 each of Mars Ltd. were held as investment by Mr. Kushal at a cost of ₹ 46,200. Excellent Ltd. pays interest on 1st July and 1st Jan every year. The following other transactions were entered by him during the year ended 31st March, 2022 in regard to these debentures.

Date	No. of Debentures	Transaction	Rate
1st May, 2021	100	Sale	₹ 98 cum-interest
1st Oct, 2021	300	Purchase	₹ 104 ex-interest
1st Dec, 2021	100	Purchase	₹ 97 cum-interest
1st Feb, 2022	600	Sale	₹ 97 ex-interest

You are required to prepare investment in 6% debentures in Mars Ltd. Account for the year 31st March, 2022 as it would appear in the books of Mr. Kushal. (Apply AS-13)

2. On 1st April 2021 Mr. Manoj holds 10,000 Equity Shares of ₹ 10 each in PG Ltd., at a cost of ₹ 3,00,000. (Dec., 22)

On 1st July 2021 he purchased 5,000 additional shares of the same Company at a cost of ₹74,000.

On 1st September 2021 Company issued a bonus of one share for every Five shares held as on that date.

On 1st January 2022 he purchased right shares, announced by the Company at the rate of two shares for every Six shares held as on that date at ₹ 12 each.

On 1st February 2022 he sold 1,000 shares for ₹ 20 each.

Prepare Investment in Equity shares account in the books of Mr. Manoj for the year ended 31st March 2022.

Unit 5:- Ethical Behaviour and Implications for Accountants

Q.1. Fill in the blanks. (1 Mk. each)

1. ASB is constituted in _____. (Dec., 22)
2. Company has to spend _____ in CSR. (Dec., 22)

Q.2. State whether the following statements True or False. (1 Mk. each)

1. CSR is governed by section 135 of Companies Act 2013. (Dec., 22)
2. Ethical behaviour should be practiced with Shareholders only. (Dec., 22)

Q.3. Write short notes on. (5 Mks.)

1. Corporate Governance. (Dec., 22)

Q.4. Long Answer.

1. Describe the fundamental principles of IFAC Code. (8 Mks., Dec., 22)
2. What does the Accounting Profession mean by Ethical Behaviour? (7 Mks., Dec., 22)
