

- (c) That portion of the uncalled capital which a limited company by special resolution, has declared to be called up only for the purpose of winding up of the company is called
- (d) A debenture holder is a of the company.
- (e) AS – 14 relates to
- (f) = Payment to shareholders in shares + debentures + cash.
- (g) Section specifies that the time gap between the close of financial year of subsidiary company and that of holding company cannot exceed six months.
- (h) In method, the materials purchased in the last are issued just on the cost price.
- (i) The full name of A. B. C. technique is
- (j) Canteen, hospitals, electricity and transport companies are examples of costing.
- (k) The allotment of whole items of cost to cost centres or cost units is called

- (l) is the amount of the expenditure incurred on a given thing.
- (m) A is a card showing quantitative record of the receipts, issues and closing balances of the material.
- (n) is that profit which a businessman generally expects from the investments.
- (o) = Average profit \times number of years purchase.
- (p) Amount of external liabilities is deducted from realisable amount of real assets, balance is known as value of shares.
- (q) = $\frac{\text{Amount of dividend}}{\text{Paid up share capital}} \times 100$
- (r) is the reserve which is created out of capital profits.
- (s) account means an account in which money is held until specified duty is performed.
- (t) Shares can be issued at discount in accordance with the provision of section of Indian Companies Act.

SECTION – B

30 Marks

Note :- Answer any three questions out of five questions. 3×10=30

2. Balances taken from the account of a company are as follows. You are required to calculate remuneration of Managing Director @ 5% of the profit ascertained according to the Companies Act. Also find out excess amount (if any) paid to him :

	₹
Net profit	9,897
Items considered for arriving at above net profit.	
(a) Provision for taxation	15,065
(b) Managing Director's remuneration	1,936
(c) Preliminary expenses	1,500
(d) Director's fees	1,000
(e) Provision for doubtful debts	300
(f) Depreciation	4,830
(g) Depreciation allowed as per schedule XIV	4,500
(h) Donation to sister concern	1,500
(i) Ex-gratia payment to employee	500

3. Vishwas Limited with an authorised share capital of ₹ 90,00,000 divided into shares of ₹ 10 each, issued a prospectus inviting application for 6 lakhs equity shares of ₹ 10 each issued at a premium of ₹ 2 per share payable as follows :

	₹
On application	3
On allotment	5

Balance on first and final call, to be made 3 months after the date of allotment. Applications were received for 11,00,400 shares. Applications for 400 shares were rejected, full allotment was made on application for 1,00,000 shares while pro-rata allotment was made on the remaining applications. All the allottees paid the allotment money due. The call was made as schedule. All the shareholders except one shareholder holding 500 shares paid the money on call. These 500 shares were forfeited and later re-issued as fully paid-up shares @ ₹ 13 per share.

Pass journal entries for the above transactions.

4. What do you understand by amalgamation of companies? Discuss merits and demerits of amalgamation.

5. What is Cost Accounting? Explain its advantages.
6. What are the methods of pricing of material issues?

SECTION – C**12½×4=50**

Note :- All questions are compulsory.

7. (a) The following particulars are available in respect of the business carried on by a trader :

- (i) Profit earned for the years :

2005 – 2006 = ₹ 50,000

2006 – 2007 = ₹ 60,000

2007 – 2008 = ₹ 55,000

- (ii) Normal rate of return = 10%.

- (iii) Average capital employed = ₹ 3,00,000.

- (iv) Present value of an annuity of one rupee for 5 years @ 10% = ₹ 3.78.

- (v) The profits included non-recurring profits on an average basis of ₹ 3,000.

Calculate the value of goodwill :

- (i) As per 5 years purchase of super profits.

- (ii) As per capitalisation of super profit.

- (iii) As per annuity methods.

OR

- (b) What are the objectives of valuation of shares? Explain the methods of valuation.
8. (a) Define buy-back of shares. What are the conditions which must be satisfied for buy-back of shares?

OR

- (b) What do you understand by redemption of debentures? Describe the methods of redemption of debentures.
9. (a) What are the main features of the Halsey and Rowan methods of payment of remuneration.

OR

- (b) What do you mean by under and over absorption of overheads? Explain.
10. (a) On the basis of the following information prepare process accounts and statement of profit :

	Process I	Process II	Process III
Raw material used	1000 ton	—	—
cost per ton	₹ 200	—	—
Manufacturing: (wages & expenses)	₹ 87,500	₹ 34,500	₹ 10,710

[P. T. O.]

Weight lost	5%	10%	20%
Scrap (sales price ₹ 50 per ton)	50 ton	30 ton	51 ton
Sales price of output per ton	₹ 350	₹ 500	₹ 800

Management expenses were ₹ 17,500 and selling expenses ₹ 10,000. Two-third of the output of process I and one-half of the output of process II are transferred to the next process and the balance are sold.

OR

- (b) The summary of trading and profit and loss account of Lucknow Metals Limited for the year ended 31st March as follows :

Particulars	₹
Materials	1,37,000
Labour	75,500
Work expenses	41,500
Administration expenses	19,120
Selling expenses	22,500
Preliminary expenses (written off)	4,000
Net profit	16,280
	3,15,900

