

<b>Name:</b>	 <b>UPES</b> <small>UNIVERSITY WITH A PURPOSE</small>
<b>Enrolment No:</b>	

**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**  
**Online End Semester Examination, December 2020**

**Course: ADVANCE ACCOUNTS**

**Semester: 5<sup>TH</sup>**

**Program: BBA(AS)**

**Time: 03 Hours**

**Course code: FINC3012**

**Max. Marks: 100**

**Instructions: Attempt all the questions**

**SECTION A**

**( 30 Marks)**

		<b>Marks</b>	
Q.1.	As per AS 14, purchase consideration is the amount agreed payable to a) shareholders      b) shareholders, debentureholders & creditors      c) shareholders & debentureholders	<b>5</b>	<b>CO2</b>
Q.2.	Reconstruction is the process by which affairs of a company are reorganized by a) revaluation of assets & reassessment of liabilities b) writing off the losses already suffered by reducing the paid up value of shares &/or varying the rights attached to different classes of shares c) both a & b	<b>5</b>	<b>CO2</b>
Q.3.	Nominal share capital is : (i) that part of the authorised capital which is issued by the company. (ii) the amount of capital which is actually applied for by the prospective shareholders. (iii) the maximum amount of share capital which a company is authorised to issue. (iv) the amount actually paid by the shareholders	<b>5</b>	<b>CO2</b>
Q.4.	Redemption by paying off the debt on account of debentures issued can be done in one of the three methods viz _____, _____, and _____.	<b>5</b>	<b>CO2</b>
Q.5.	Under pooling of interests method, the difference between the purchase consideration and share capital of the transferee company should be adjusted to a) general reserve      b) amalgamation adjustment account      c) goodwill or capital reserve	<b>5</b>	<b>CO1</b>
Q.6.	Reserve      &      Surplus      shall      be      classified      as: _____, _____, _____, _____ & _____.	<b>5</b>	<b>CO1</b>

**SECTION B**

**( 50 Marks)**

**Attempt any 2 out of 3 questions**

Q.7.	(a) If a Share of Rs. 10 on which Rs. 8 is called-up and Rs. 6 is paid as forfeited. State with what amount the Share Capital account will be debited. (b) If a Share of Rs. 10 on which Rs. 6 has been paid is forfeited, at what minimum price it can be reissued. (c) Ahluwalia Ltd. issued 1,000 equity shares of Rs. 100 each as fully paid-up in consideration of the purchase of plant and machinery worth Rs. 1,00,000. What entry will be recorded in company's jour	<b>10</b>	<b>CO2</b>
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Q.8.	<p>Jupiter Company Limited issued 35,000 equity shares of Rs. 10 each at a premium of Rs.2 payable as follows:  On Application Rs. 3  On Allotment Rs. 5 (including premium)  Balance on First and Final Call  The issue was fully subscribed. All the money was duly received. Record journal entries in the books of the Company.</p>	<b>10</b>	<b>CO3</b>																																				
Q.9.	<p>The following are the summarized Balance sheet of X ltd &amp; Y Ltd:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">X Ltd</th> <th style="width: 35%; text-align: center;">Y Ltd</th> </tr> </thead> <tbody> <tr> <td><b>Liabilities:</b></td> <td></td> <td></td> </tr> <tr> <td>Equity share capital</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Profit &amp; loss a/c</td> <td style="text-align: right;">10,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Trade payables</td> <td style="text-align: right;">25,000</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Loan X ltd</td> <td style="text-align: center;">-</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,35,000</td> <td style="text-align: right; border-top: 1px solid black;">70,000</td> </tr> <tr> <td><b>Assets:</b></td> <td></td> <td></td> </tr> <tr> <td>Sundry assets</td> <td style="text-align: right;">1,20,000</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Loan Y ltd</td> <td style="text-align: right;">15,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Profit &amp; loss a/c</td> <td style="text-align: center;">-</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,35,000</td> <td style="text-align: right; border-top: 1px solid black;">70,000</td> </tr> </tbody> </table> <p>A new company XY Its is formed to acquire the sundry assets &amp; trade payables of X ltd &amp; Y ltd and for this purpose, the sundry assets of X ltd are revalued at Rs 1,00,000. The debt due to X ltd is also to be discharge in shares of XY ltd.  Show the ledger accounts to close the books of X ltd.</p>		X Ltd	Y Ltd	<b>Liabilities:</b>			Equity share capital	1,00,000	50,000	Profit & loss a/c	10,000	-	Trade payables	25,000	5,000	Loan X ltd	-	15,000		1,35,000	70,000	<b>Assets:</b>			Sundry assets	1,20,000	60,000	Loan Y ltd	15,000	-	Profit & loss a/c	-	10,000		1,35,000	70,000	<b>10</b>	<b>CO4</b>
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Q.10.	<p>Highlight the factors that impact the valuation of shares  OR  Under which method, the net assets of the company including goodwill and non-trading assets are divided by the number of shares issued to arrive at the value of each share. Explain.</p>	<b>10</b>	<b>CO3</b>																																				
Q.11	<p>Human Resource Accounting is a tool designed to assist in the effective and efficient use of management of human resources. In the light of above statement, explain the managerial role of HRA in business environment.  OR  Inflation Accounting involves the recording of the income and expenditure of the business at the current prices and reinstating all the three statements of the company and analyze the cost and the trend of the current company. Identify the techniques involved in inflation accounting.</p>	<b>10</b>	<b>CO3</b>																																				
<b>SECTION-C ( 20 Marks)</b>																																							
Q.12.	<p>The capital structure of company as on 31st March, 2009 was as under:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Equity Share Capital</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td>11% Preference Share Capital</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>12% Secured Debentures</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>Reserves</td> <td style="text-align: right;">3,00,000</td> </tr> </table>	Equity Share Capital	5,00,000	11% Preference Share Capital	3,00,000	12% Secured Debentures	4,00,000	Reserves	3,00,000	<b>20</b>	<b>CO4</b>																												
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The company on an average earns a profit of ` 4,00,000 annually before deduction of interest on Debentures and Income Tax, which works out to 45%. The normal return on equity shares on companies similarly placed is 15% provided:

(a) The profit after tax covered the fixed interest and fixed dividends at least four times.

(b) Equity capital and reserves are 150% of debentures and preference capital.

(c) Yield on shares is calculated at 60% of profits distributed and 5% on undistributed profits. The company is regularly paying an equity dividend of 18%.

Ascertain the value of equity share of the company.

OR

IFRS works globally and IND AS is just Indian version of IFRS. Critically analyze the statement, carving the differences & similarities between the both.