

S.Y.B. Com: - Sem: - IV  
April - 2019

Q.P. Code : 32642

[Time: Three Hours]

[Marks: 100]

Please check whether you have got the right question paper.

- N.B:
1. All Questions are compulsory.
  2. All questions carry equal marks.
  3. Use of simple calculator is allowed.
  4. Draw neat diagrams wherever necessary.

**Q.1 A. Explain the following concepts (ANY FIVE)**

1. Allocation Function
2. Production Efficiency
3. Progressive Tax rate
4. Direct Tax
5. Canon of Sanction
6. Tax tolerance
7. Revenue Budget
8. Functional Finance

**B. Choose the right answer from the given options and rewrite the statement.**

1. Taxes are subject to increasing \_\_\_\_\_  
a) Marginal Social Sacrifice      b) Marginal Social Benefit  
c) Both a and b      d) None of these
2. When the size of the budget is optimum then \_\_\_\_\_  
a)  $MSS < MSB$       b)  $MSS > MSB$   
c)  $MSS = MSB$       d) None of these
3. Direct taxes are \_\_\_\_\_  
a) Unproductive      b) Elastic  
c) Contributed by all      d) All of these
4. Special levy means \_\_\_\_\_  
a) Tax on all people      b) Charges for specific benefits  
c) Gift tax      d) None of these
5. GST has replaced a variety of \_\_\_\_\_  
a) Direct Taxes      b) Indirect Taxes  
c) Fees      d) Fines
6. Public expenditure should be incurred to reduce \_\_\_\_\_  
a) Production      b) Employment  
c) Income inequality      d) Deficit Financing
7. Jack Wiseman and Alan T. Peacock carried out study on \_\_\_\_\_  
a) Public borrowing      b) Taxation  
c) Public expenditure      d) Deficit Financing
8. Sound Finance follow \_\_\_\_\_  
a) Balanced Budget      b) Unbalanced Budget  
c) Unified Budget      d) Multiple Budget
9. The key issue of Fiscal Federalism is \_\_\_\_\_  
a) Only Revenue assignment      b) Revenue and expenditure assignment  
c) Only expenditure assignment      d) None of these
10. Primary deficit is Fiscal Deficit less \_\_\_\_\_  
a) Interest Receipts      b) Interest payments  
c) Subsidies      d) Defence expenditure



Q.P. Code : 32642

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

- Define Public Finance and its scope.
- Explain the principle of Maximum Social Advantage as stated by Hugh Dalton, with assumptions and diagrams
- Examine the role of government in correcting market failure.

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

- Explain the sources of Public Revenue
- Explain the process of tax shifting and incidence of tax with reference to elasticities of demand and supply.
- What are economic effects of taxation?

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

- Explain different classification of public expenditure.
- Explain the social security programmes.
- Explain the burden of Public debt.

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

- Explain the types of deficits in the budget.
- Explain the features of Sound Finance.
- What are the basic characteristics of FRBM Act 2003?

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TIME: 3 Hours

Marks: 100

N.B: (1) All questions are compulsory.

(2) Figures to the right indicate full marks.

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

- i. The statutory auditor is responsible for taking and compiling the inventory.
- ii. An auditor should act like a bloodhound and not a watchdog.
- iii. An auditor cannot take the help of experts.
- iv. Routine Checking is normally done by the senior audit staff.
- v. The audit technique of confirmation is a formal inquiry only from insiders.
- vi. Internal Control System is the responsibility of the management.
- vii. An Audit Program will serve its purpose only if it is in writing.
- viii. Audit sampling does not reduce the responsibility of the auditor for his opinion.
- ix. An auditor has no right of lien on the books of accounts of the company.
- x. Continuous Audit is an audit conducted during the year with regular or irregular intervals.
- xi. Sample size depends also upon the auditor's assessment of degree of reliance to be placed on the internal controls.
- xii. An auditor should also verify contingent liabilities.

**(B) Match the Columns (Any Ten) (10)**

Column 'A'	Column 'B'
<ul style="list-style-type: none"> <li>• Vouching</li> <li>• Wrong Casting by mistake</li> <li>• Teeming and Lading</li> <li>• Audit History</li> <li>• Random Selection</li> <li>• Internal Check</li> <li>• Internal Auditor</li> <li>• Audit Working Papers</li> <li>• Statutory Auditor</li> <li>• Bankers</li> <li>• Balance Sheet Audit</li> <li>• Fraud by Management</li> </ul>	<ul style="list-style-type: none"> <li>• Method of selecting sample</li> <li>• Helps in deciding Sample Size</li> <li>• Examination of documentary evidence</li> <li>• A type of error</li> <li>• A type of fraud</li> <li>• Window Dressing</li> <li>• Users of financial information</li> <li>• Prescribed Qualification</li> <li>• No Prescribed Qualification</li> <li>• Part of Internal Controls</li> <li>• Property of Auditor</li> <li>• In-depth Audit of Items in Balance Sheet</li> </ul>



2. A) Explain the concept 'True and Fair View' in auditing.  
B) What are the primary objectives of Auditing?

(08)

(07)

OR

- C) Explain the term 'Errors'. What are the different types of Errors?  
D) What is meant by 'Annual Audit'? What are its advantages?

(08)

(07)

3. A) What is an 'Audit Note Book'? What are its contents?  
B) What is an 'Audit Program'? What are its disadvantages?

(08)

(07)

OR

- C) What is a Permanent Audit File? What are the contents of a Permanent Audit File?  
D) Explain the importance of the Audit Working papers.

(08)

(07)

4. A) Enumerate the factors influencing the sample size.  
B) What is Test Checking? Explain in brief the drawbacks of Test Checking.

(08)

(07)

OR

- C) What are Internal Checks? What are the objectives of Internal Checks?  
D) Explain the Internal Controls for Debtors.

(08)

(07)

5. A) How would you verify Plant and Machinery?  
B) How would you vouch Cash Sales?

(08)

(07)

OR

- C) How would you verify Furniture and Fixtures?  
D) How would you vouch Consignment Sales?

(08)

(07)

6. A) What is Auditing? What are the inherent limitations of Auditing?  
B) Explain the concepts of Verification and Valuation.

(10)

(10)

OR

6. C) Write Short Notes (Any Four)

(20)

- a) Principles of Auditing  
b) Secret Reserve  
c) Audit Planning  
d) Sampling Risk  
e) Internal Audit  
f) Vouching

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(3 Hours)

(Total Marks : 100)

Please check whether you have got the right question paper.

NB:

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

Q1 A. Select the most appropriate answer from the option given below: (any 10) (10)

- i) \_\_\_\_\_ is a process of deciding the path of work and the sequence of operation.  
a) Routing    b) scheduling    c) follow-up    d) dispatching
- ii) \_\_\_\_\_ measure helps to improve the productivity.  
a) Value engineering    b) Training    c) Quality Circles    d) All of these
- iii) \_\_\_\_\_ is a process of maintaining and monitoring the size of inventory at appropriate level.  
a) Quality control    b) inventory control    c) financial control    d) production control
- iv) \_\_\_\_\_ is the father of Quality Circle.  
a) Henri Fayol    b) Philip Kotler    c) Dr. Ishikawa Kaoru    d) Masaaki Imai
- v) ISO stands for \_\_\_\_\_ Organization for Standardization.  
a) Indian    b) Internal    c) International    d) Innovative
- vi) The concept of Total Quality Management was introduced in \_\_\_\_\_.  
a) America    b) Japan    c) China    d) Germany
- vii) \_\_\_\_\_ market facilitates trading in securities on the stock exchanges.  
a) Primary market    b) secondary market    c) tertiary market    d) money market
- viii) \_\_\_\_\_ rating agencies provide ratings to the issues of debt securities.  
a) National    b) International    c) Debit    d) Credit
- ix) \_\_\_\_\_ is a link between the investors of securities and Depository.  
a) Depository Participants    b) SEBI    c) Stock exchange    d) RBI
- x) Section \_\_\_\_\_ offers tax rebate to investors in mutual funds.  
a) 88    b) 80C    c) 100    d) 90
- xi) \_\_\_\_\_ investors are often retired entrepreneurs or executives who want to make use of their experience and mentor the next generation.  
a) Traditional investors    b) Foreign investors    c) Angel investors    d) Peer investors



- xii) The concept of Micro-finance was first introduced by Mr. \_\_\_\_\_  
 a) Muhammad Younus      b) Ratan Tata      c) Bhavish Aggarwal      d) Mukesh Ambani

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

- i) Dispatching refers to deciding the start time and completion time of each and every activity.
- ii) Productivity is the ratio of output to input.
- iii) Inventory includes stock of raw materials only.
- iv) TQM believes in producing defect free goods.
- v) Quality Circle is formed voluntarily by employees of a particular work area.
- vi) SERQUAL Model is known as Gap Model.
- vii) Stock brokers need not register with SEBI.
- viii) If the issue is fully subscribed there is no liability for the underwriter.
- ix) In India Bull speculators are known as Tejiwala.
- x) There is no difference between speculators and arbitrators.
- xi) Index scheme attempts to replicate the performance of a particular index such as the BS Sensex.
- xii) SHG encourages its members to save a part of their income on regular basis.

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

- a) What do you mean by Production Management? Discuss its objectives.
- b) What are the differences between continuous production system and intermittent production system?
- c) Discuss the techniques of Inventory Control.

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

- a) What do you mean by Quality? Discuss its dimensions.
- b) Explain the concept Kaizen and its process.
- c) Discuss the Importance of Service Quality Management.

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

- a) Explain in brief the structure of Money market.
- b) Explain the role and services of NSDL
- c) Explain the functions of SEBI

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

- a) Explain the factors responsible for the growth of mutual funds.
- b) Explain the types of derivative market.
- c) Explain the importance of Micro finance.

**Q.6. Write short note on: (any 4) (20)**

- i) Scientific inventory control system
- ii) Cost of Quality
- iii) Six Sigma
- iv) ICRA credit rating agency.
- v) Future Contract
- vi) SIP



Time : 3.00 hours

**Total Marks : 100**

**N.B. 1. All questions are compulsory.**

2. Figures to the right indicate full marks.

1(A) Select the most appropriate answer from the options given below (Any Ten) (10)

- 1) \_\_\_\_\_ advertising allows consumers to understand ads and refer to them at leisure.  
a) Print                      b) Broadcasting                      c) Outdoor                      d) Theater
- 2) Zipping and zapping are associated with \_\_\_\_\_ advertising.  
a) Newspaper                      b) Television                      c) Magazine                      d) Outdoor
- 3) \_\_\_\_\_ medium has an advantage in terms of cost effectiveness with maximum reach.  
a) IPL match telecast  
b) Times of India front page  
c) Viral message on mobile phones  
d) Outdoor Hoardings at Haji Ali Corner in Mumbai
- 4) DAGMAR model was conceptualized by \_\_\_\_\_.  
a) Russell Colley                      b) David Ogilvy                      c) E.K. Strong                      d) Leo Burnett
- 5) The all-you-can-afford method of deciding the ad budget is best for \_\_\_\_\_ company.  
a) Hindustan Unilever                      b) Tata Group  
c) Mahindra & Mahindra                      d) Pitambari Group
- 6) \_\_\_\_\_ factor is considered while selecting media.  
a) Target market                      b) Retailers                      c) Trade Cycles                      d) Politics
- 7) In advertising, \_\_\_\_\_ is prepared by the client for the agency's creative team.  
a) Creative pitch                      b) Plant layout  
c) Creative brief                      d) Financial accounts
- 8) \_\_\_\_\_ appeals contain basic facts about the product so as to justify why audience should buy that specific brand.  
a) Emotional                      b) Rational                      c) Security                      d) Efficiency
- 9) Middle class family buying its first car, is considered as a \_\_\_\_\_ involvement product.  
a) Low                      b) High                      c) Moderate                      d) Medium
- 10) "Darr ke aage jeet hai" is the slogan used by the brand \_\_\_\_\_.  
a) Sprite                      b) Lemonade                      c) Mountain Dew                      d) Limca
- 11) Advertising of travel destinations use \_\_\_\_\_ execution style.  
a) Dramatic                      b) Slice of life                      c) Humorous                      d) Any of these
- 12) Advertising campaigns need to be pre-tested to find out the \_\_\_\_\_ effect on target market.  
a) Recall                      b) Communication  
c) Legal                      d) None of the above



- 1 (B) State whether the following statements are true OR false: (Any Ten) (10)**
- 1) Mere Dad Ki Maruti, a high budget film that used Maruti brand as the main character in the film is an example of outdoor advertising.
  - 2) Google has become a major advertising medium in modern times.
  - 3) All Storyboards for television advertising need to follow the Doordarshan Code for getting approved.
  - 4) The ultimate objective of all advertising is to sell the brand.
  - 5) Clients follow a uniform approach for setting ad budgets on various media.
  - 6) Media Planning Process involves strategy and is a lengthy process.
  - 7) Incubation is a technique of Visualisation.
  - 8) USP stands for Unique Sales Promotion.
  - 9) Buying Coca Cola is a low involvement brand purchase.
  - 10) Body Copy is considered the soul of advertising.
  - 11) Advertising of Beauty Products usually use animation type of execution style.
  - 12) Order of merit rating is one of the ways used for conducting Consumer Jury Test.
- 2. Answer ANY TWO of the following: (15)**
- a) What are the disadvantages of Out-Of-Home (OOH) advertising?
  - b) Explain the various forms of Internet advertising.
  - c) Briefly describe ABC as a tool of media regulation.
- 3. Answer ANY TWO of the following: (15)**
- a) "An Advertising Campaign is prepared systematically by taking several steps" Discuss.
  - b) Explain the media objectives that are important in advertising.
  - c) Briefly explain the various media scheduling strategies.
- 4. Answer ANY TWO of the following: (15)**
- a) Explain the various techniques of Visualization.
  - b) Explain various aspects of selling points.
  - c) Discuss the advantages and limitations of celebrity endorsements in advertising.
- 5. Answer ANY TWO of the following: (15)**
- a) What is the importance of illustrations in advertising?
  - b) "Jingles and Music are effective in advertising of FMCG brands." Do you agree? Discuss.
  - c) Elaborate on different post-testing methods of testing advertising effectiveness.
- 6. Write short notes on ANY FOUR of the following: (20)**
- a) Limitations of print media
  - b) Importance of media research
  - c) Any three methods of setting an advertising budget
  - d) Types of endorsers
  - e) Principles of effective layout
  - f) Concept of storyboard

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Duration: 3 Hours

Marks: 100

Please check whether you have got the right question paper.

**N B.** 1. All Questions are **Compulsory**.2. Q. No. 1 and Q. No. 6 carry **20** marks each, sub question **A** and **B** in these questions Carry **10** marks each.3. Q. No. 2 to Q.No. 5 carry **15** marks each, sub question **A** and **B** in these questions carry **8** and **7** marks respectively.4. **Working Notes** should form the **part of your answer**.**Q.1 A) Fill in the blanks choosing the correct alternative: (Any Ten)**

1. .... should form part of the name of One Person Company.

- a. LLP
- b. Public Limited
- c. OPC
- d. None of the above

2. Unclaimed dividend is shown under .....

- a. Current assets
- b. Reserves and surplus
- c. Current liabilities
- d. None of the above

3. Sweat Equity shares are issued to .....

- a. Existing Shareholders
- b. Employees
- c. Auditors
- d. None of the above

4. Trade Payable includes .....

- a. Creditors for goods
- b. Creditors for expenses
- c. Creditors for asset purchased
- d. All of the above

5. Debentures may be issued at .....

- a. Par
- b. Discount
- c. Premium
- d. All of the above

6. The shares offered free of cost are called as .....

- a. Rights shares
- b. Bonus shares
- c. Preferential shares
- d. Priority shares

7. Dividend is usually paid to shareholders as a percentage of .....

- a. Paid up capital
- b. Net profit
- c. Called up capital
- d. Authorized capital



8. Capital Redemption Reserve can be utilized for .....
  - a. Payment of dividend
  - b. Issue of right shares
  - c. Issue of fully paid bonus shares
  - d. Setting off against losses
9. The redemption amount remaining unpaid to preference shareholders is shown in the balance sheet as .....
  - a. Current liabilities
  - b. Loan
  - c. Share capital
  - d. Contingent liabilities
10. The claim of debenture holders on redemption is credited to .....
  - a. Cash/Bank A/c
  - b. Sinking Fund A/c
  - c. Debenture holders A/c
  - d. None of the above
11. The excess of consideration paid over net value of assets taken over is called .....
  - a. Security premium
  - b. Goodwill
  - c. Capital reserve
  - d. None of the above
12. Profit prior to incorporation is available for payment of .....
  - a. Dividend
  - b. Interest on debentures
  - c. Both a and b
  - d. None of the above

**Q.1 B] State whether the following statements are true or false: (Any Ten)**

- 1) Authorized capital is disclosed only for information.
- 2) The shares of all companies are listed on the stock exchanges.
- 3) Participating Preference shareholders can participate and vote on all matters affecting the Company.
- 4) Debenture capital is called as debt capital.
- 5) In case of redemption of debentures, creation of Debenture Redemption Reserve is optional to the Company.
- 6) Capital Reserve and Reserve Capital are one and the same.
- 7) Issue of bonus shares results in conversion of profit into share capital.
- 8) Premium on redemption of preference shares is adjusted out of profits.
- 9) Depreciation on delivery van is allocated in sales ratio.
- 10) After redemption of debentures, balance in Debenture Redemption Reserve is transferred to General Reserve account.
- 11) The assets offered as security are released after redemption of debentures.
- 12) Profit prior to incorporation is transferred to General Reserve.



**Q.2** Sampurna Co. Ltd was incorporated on 1<sup>st</sup> May 2018 to take over the business of M/s Apurna as going concern from 1<sup>st</sup> January 2018. The Profit and Loss Account for the year ending 31<sup>st</sup> December 2018 was as follows:

Particulars	Rs.	Particulars	Rs.
To Rent and Taxes	8,500	By Gross Profit	2,12,020
To Administrative Salaries and expenses	25,500		
To Selling Expenses	5,000		
To Directors Fees	12,000		
To Carriage Outward	12,960		
To Advertisement	18,000		
To Depreciation	3,000		
To Audit Fees	6,000		
To Electricity Charges	1,260		
To Interest on Debentures	19,800		
To Net Profit	1,00,000		
<b>Total</b>	<b>2,12,020</b>	<b>Total</b>	<b>2,12,020</b>

**Additional Information:**

1. Sales for each month from September 2018 to December 2018 were double the monthly sales from January 2018 to August 2018.
2. Audit fees are for the entire period.
3. Rent was increased from Rs.500 p.m. to Rs.1,000 p.m. with effect from 1<sup>st</sup> August 2018.

You are required to prepare statement of Profit and Loss, allocating the income and expenses on suitable basis between Pre and post incorporation periods.

**OR**

**Q.2** Fida Pvt. Ltd. was incorporated on 1<sup>st</sup> August 2018. This company agreed to take over business of Ada & Co. as going concern with effect from 1<sup>st</sup> April 2018.

**The Profit and Loss Account for the year ended 31<sup>st</sup> March 2019 is given below:**

Particulars	Rs.	Particulars	Rs.
To Administrative staff salaries	1,68,000	By Gross Profit	6,00,000
To Rent	1,60,000		
To Electricity Charges	30,000		
To Advertisement	21,000		
To Bad Debts	5,000		
To Commission on Sales	33,000		
To Preliminary Expenses w/off	7,000		
To Interest on Debentures	3,000		
To Interest on Purchase Consideration	6,000		
To Net Profit	1,67,000		
<b>Total</b>	<b>6,00,000</b>	<b>Total</b>	<b>6,00,000</b>

**Additional Information :**

1. Sales for pre-incorporation period were ₹5,00,000 which were 1/3 of the total sales.
2. Rent from 1<sup>st</sup> August 2018 was increased by ₹5,000 p.m.
3. Salaries to administrative staff was increased by ₹3,000 p.m., w.e.f. 1<sup>st</sup> August 2018.
4. Bad Debts are from the debtors relating to the month of March 2018.
5. Purchase Consideration was paid on 30<sup>th</sup> September 2018.



Prepare Statement showing Profit and Loss for the year ended 31st March 2019 appropriating all income and expenditure items between Pre-incorporation and Post incorporation period on suitable basis.

**Q.3.** Following is the Balance Sheet of Diamond Ltd. as on 31<sup>st</sup> March 2019:

Liabilities	₹	Assets	₹
20,000; 8% Preference Shares of ₹100 each fully paid	20,00,000	Fixed Assets	37,00,000
2,50,000 Equity shares of ₹10 each fully paid	25,00,000	Investments (M.V. ₹ 15,00,000)	14,00,000
Profit & Loss a/c	12,50,000	Current Assets	26,70,000
Dividend Equalisation Reserve	9,00,000		
Securities Premium	1,20,000		
Current Liabilities	10,00,000		
<b>Total</b>	<b>77,70,000</b>	<b>Total</b>	<b>77,70,000</b>

8% Preference Shares are due for redemption on 31<sup>st</sup> March 2019 at premium of ₹10 per share. The company sold investments at market value. The Company decided to utilize available sources to full extent for redemption purpose. The Preference Shares were redeemed on the due date. The payment was made to all preference shareholders except one shareholder holding 800 preference shares who could not be traced.

Pass journal entries in the books of Diamond Ltd. to record the above transactions and prepare Balance Sheet of the Company after redemption of Preference Shares.

**OR**

**Q.3.** Following is the summarised Balance Sheet of Soham Ltd. as on 31<sup>st</sup> March 2019:

Liabilities	₹	Assets	₹
12% Preference Shares of ₹100 each, ₹80 paid	24,00,000	Fixed Assets	28,00,000
Equity shares of ₹10 each fully paid	12,00,000	Bank	27,60,000
Profit & Loss a/c	11,00,000	Other Current Assets	13,00,000
General Reserve	12,00,000		
Securities Premium	60,000		
Current Liabilities	9,00,000		
<b>Total</b>	<b>68,60,000</b>	<b>Total</b>	<b>68,60,000</b>

The Preference Shares are to be redeemed at 10% premium, for this purpose the Company made the final call and all call money was duly received.

On 1<sup>st</sup> April 2019 a fresh issue of Equity Shares of ₹ 10 each was made at 10% premium to the minimum extent as required under the Companies Act for the purpose of redemption of Preference Shares.

On 1<sup>st</sup> October 2019, Bonus shares were issued at par at the rate of one share for every two shares held on the same date.

Pass journal entries in the books of Soham Ltd. to record the above transactions.



**Q.4.** Prudence Ltd. redeemed ₹ 50,00,000; 12% Debentures at a premium of 5% fully out of profit on 30<sup>th</sup> Sept. 2018. The company had a Debenture Redemption Reserve of ₹ 10,00,000. For the purpose of redemption of debentures, apart from creating Debenture Redemption Reserve the Company complied with the necessary statutory provisions in such a manner so as to utilize the funds of the company to the minimum possible extent. Pass necessary journal entries for the redemption of debentures.

OR

**Q.4.** Pass necessary journal entries for the following independent transactions:

1. 9%, 8,000 Debentures of ₹ 100 each due for redemption at 10% premium.
2. Money paid off to Preference shareholders for 11%, 30,000 Preference shares of ₹ 10 each due for redemption at 5% premium.
3. 25,000 fully paid Bonus shares of ₹ 10 each issued out of Capital Redemption Reserve.
4. Investment made of ₹ 3,00,000 in pursuant to statutory compliance of Redemption of Debentures.
5. Premium on Redemption of Preference Shares ₹ 1, 50,000 written off.
6. Debenture Redemption Reserve ₹ 5, 00,000 transferred to General Reserve.
7. Money received in full out of fresh issue of 50,000 Equity Shares of ₹ 10 each at premium ₹ 10 per share for the purpose of Redemption of Preference Shares.

**Q.5** Following is the summarised Balance Sheet of Sunshine Ltd. as on 31<sup>st</sup> March 2019:

Liabilities	₹	Assets	₹
<b>Authorised Share Capital:</b>		Fixed Assets	5,50,000
1,00,000 Equity Shares of Rs.10 each	10,00,000	Investments	1,00,000
10,000; 9% Redeemable Preference Shares of Rs. 100 each	10,00,000	Cash at bank	1,20,000
		Other Current Assets	5,80,000
<b>Issued and Paid up Capital:</b>			
50,000 Equity shares of Rs.10 each fully paid	5,00,000		
5,000; 9% Redeemable Preference Shares of Rs.100 each fully paid.	5,00,000		
<b>Reserves &amp; Surplus:</b>			
Profit & Loss a/c	2,00,000		
General Reserve	1,00,000		
Current Liabilities	50,000		
<b>Total</b>	<b>13,50,000</b>	<b>Total</b>	<b>13,50,000</b>

On 1<sup>st</sup> April 2019 the Company sold part of its investments at ₹ 72, 000 at 10% loss. Further the Company decided to:

1. Redeem the Preference Shares at premium of 5%.
2. Issue Equity Shares of ₹ 10 each at par to the extent it is required under the Companies Act for the purpose of redemption of Preference Shares.
3. Arrange Temporary Bank Overdraft to manage the funds if required.



**You are required to:**

- Show necessary Journal entries in the books of Sunshine Ltd. to record the above transactions.
- Prepare Balance Sheet thereafter.

**OR**

**Q.5 A.** On 31<sup>st</sup> December 2018 Plasto-craft Ltd. redeemed 5,000, 9% debentures of ₹ 100 each by converting them into equity shares of ₹10 each at a premium of ₹2.50 per share. On the same date the company also redeemed 2,500, 12% debentures of ₹ 100 each in cash. Company complied with the necessary statutory provisions in such a manner so as to utilize profits and funds of the company to the minimum possible extent. Give the necessary journal entries.

**Q.5 B.** Calculate the profits prior to and post incorporation from the following details:  
Majestic Ltd. was formed on 1<sup>st</sup> August 2018 to take over the business of a partnership firm from 1<sup>st</sup> April 2018. Sales from 1<sup>st</sup> April 2018 to 31<sup>st</sup> July 2018 were ₹ 6,00,000 and sales from 1<sup>st</sup> August 2018 to 31<sup>st</sup> October 2018 were ₹ 11,00,000. Sales from 1<sup>st</sup> November 2018 to 31<sup>st</sup> March 2019 were ₹ 13,00,000. Gross profit for the year was ₹ 6,93,000. Total fixed expenses for the year were ₹2,10,000 and total expenses relating to sales were ₹ 2,40,000. Directors' Fees amounted to ₹12,000 and Auditor's Remuneration for full year was ₹ 24,000 which include ₹ 6,000, charged for consultancy with respect to formation of Company.

**Q.6.A.** What is Employee Stock Option Plan? Explain the legal provisions governing it.

**Q.6.B.** Distinguish between Shares and Debentures.

**OR**

**Q.6.** Write Short notes (Attempt any **FOUR**):

- ESCROW Account
- Bonus Shares
- Debenture Redemption Reserve
- Non-divisible profits
- Partnership Vs. Limited Company.
- Profit Prior to Incorporation



[Time: Three Hours]

Please check whether you have got the right question paper.

- N.B: i) All questions are Compulsory subject to Internal Choice  
 ii) Figures to the right indicate maximum marks.

Q.1 Attempt **ANY TWO** of the following:

- What is a Company ? Explain its Characteristics.
- Explain in brief the various kinds of Companies.
- What is Memorandum of Association? Write its Clauses.
- Give meaning of the Prospectus. Explain various kinds of Prospectus.

Q.2 Attempt **ANY TWO** of the following:

- Who can become a Member of a Company? Explain various modes of Acquiring Membership.
- Who is a Director of a Company? Explain the Disqualifications of a Director of a Company.
- Explain briefly the provisions for conducting Annual General Meeting of a Company.
- Write a note on –
  - Extra ordinary General Meeting.
  - Meeting by the Tribunal.

Q.3 Attempt **ANY TWO** of the following:

- Explain various Rights of a Partner as per Indian Partnership Act 1932.
- Discuss various modes of Dissolution of Partnership firm.
- What is Limited Liability Partnership? Explain its characteristics.
- Write a note on-(i) Conversion of LLP  
 (ii) Winding up of LLP

Q.4 Attempt **ANY TWO** of the following:

- Explain the term, 'Unfair Trade Practices' with suitable examples.
- Explain in brief the Composition and Jurisdiction of State Commission under Consumer Protection Act 1986.
- Discuss the Highlights of the Competition Act 2002.
- Write a note on, 'Abuse of Dominant Position'.

Q.5 Attempt **ANY TWO** of the following:

- Write a note on 'Intellectual Property Rights'.
- What is Patent? Explain the remedies against Infringement of Patents.
- Explain the meaning of Copyright. Who is an Author under the Copyright Act? Which are the clauses of work covered by the Indian Copyright Act?
- What is Trade Mark? Explain the Characteristics and Functions of Trade Mark.

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(2 ½ hours)

Total marks: 75

- N. B. (1) All questions are compulsory  
(2) All questions have internal choice  
(3) Figures to the right indicate full marks.

1) A. Explain the following concepts: **(any five)** (15)

1. Product liability
2. *Locus Standi*
3. Polluter Pays Principle
4. Remote sensing
5. Lateral thinking
6. Verbal Ability
7. Synthetic food
8. Eco-centrism

OR

B Write a comprehensive note on the Foundation Course (Semester IV) project submitted by you.

2) A. Explain in detail, the various features of Consumer Protection Act, 1986. (15)

OR

B. Discuss the features of the RTI Act, 2005.

3) A. Comment on the various approaches to understanding ecology. (15)

OR

B. Discuss the various goals of sustainable development as adopted in the UN Sustainable Development Summit, 2015.

4) A. Comment on the various applications of biotechnology in agriculture. (15)

OR

B. Discuss India's achievements in the field of satellite technology.

5) A. Discuss the format of any three competitive exams conducted for entry into jobs. (15)

OR

B. Discuss any three different theories of motivation.

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