

**IMBA (Old) Sem.3 Examination
Advanced Financial Accounting-I**

Time : 2.30 Hours]

December-2025

[Max.Marks : 70

Q.1 [A] Define share capital. What are the different types of share capital as per the Companies Act? [10]

Q.1 [B] Write a note on Calls-in-arrears. [04]

OR

Q.1 Mona Earth Mover Limited decided to issue 12,000 shares of Rs.100 each payable at Rs.30 on application, Rs.40 on allotment, Rs.20 on first call and balance on second and final call. Applications were received for 13,000 shares. The directors decided to reject application of 1,000 shares and their application money being refunded in full. The allotment money was duly received on all the shares, and all sums due on calls are received except on 100 shares. Record the transactions in the books of Mona Earth Movers Limited. [14]

Q.2 [A] Define debentures. How are they different from shares? [07]

Q.2 [B] What is the procedure for issuing debentures? [07]

OR

Q.2 AB Ltd. Issued 20,000 12% debentures of Rs.100 each for public subscription, at a premium of 10% payable as to Rs.20 on application, Rs.50 on allotment (including premium) and the balance in one call. 30,000 applications were received. 5,000 applications were rejected and debentures were allotted to the remaining applicants on pro-rate. Allotment amount was received from all the allottees; one of whom paid the call amount due on his own 1,000 debentures along with allotment money. The call amount was also collected on the due date. Give journal entries in the books of the company. [14]

Q.3 [A] What is buy-back of shares? Explain its meaning and purpose. [07]

Q.3 [B] Explain the procedure for buy-back of shares. [07]

OR

Q.3 [A] A Ltd issued 100000 equity shares the whole of the issue was underwritten as follows. X - 40%, Y-30%, Z-30%. Applications for 80,000 shares were received in all out of which application for 20,000 shares had the stamp of X those for 10,000 shares that of Y and 20,000 shares that of Z. You are required to determine the net liability of each underwriter. [07]

Q.3 [B] Why do companies need underwriting while issuing shares? [07]

Q.4 Explain the structure of a company's Balance Sheet as per Schedule III. [14]

OR

Q.4 Explain the format of Statement of Profit and Loss as per Schedule III. [14]

Q.5 Attempt any two out of the following: [14]

a) Differentiate between Purchase of Business and Purchase of Assets.

b) Write the journal entries in the books of the Vendor Company when business is sold.

c) Write the journal entries in the books of the Purchasing Company for business purchase.