

- Note:**
- 1) Question No. 1 is compulsory
 - 2) Attempt any five out of question no. 2 to 8.

- Q. 1 Someshwara Co. Ltd. has an authorised capital of Rs. 5,00,000 dividend into 50,000 shares of Rs. 10 each. (20)

The trail balance as on 31.12.2016 is given below

Particulars	Debit / Rs.	Credit / Rs.
Share Capital (20,000 shares of Rs. 10 each)	-	2,00,000
Debtors & Creditors	1,00,000	40,000
Carriage Inward	15,000	-
Stock	30,000	-
Bills Payable	-	15,000
Machinery	60,000	-
Wages	40,000	-
Share issue expenses	17,000	-
Buildings	1,36,000	-
Profit & loss A/c (cr. Balance)	-	40,000
General Reserve	-	50,000
Salary	30,000	-
Director's Setting fees	5,000	-
Dividend (Interim)	15,000	-
Insurance	8,000	-
10% Debenture (secured on Building)	-	1,00,000
Furniture	24,000	-
Interest on Debentures	5,000	-
Investments in Liquid Mutual Funds	55,000	-
Goodwill	80,000	-
Cash at Bank	5,000	-
	7,45,000	7,45,000

Adjustments:

- 1) Closing Stock of Rs. 65,000
- 2) Dividend declared (including interim) for the year 25%
- 3) Write off half of share issue expenses (balance to be written off, in next year)
- 4) Transfer Rs. 20,000 to General Reserve
- 5) Depreciate Building by 5% & Machinery by 10% p.a.
- 6) Provide for 6 months outstanding Debenture interest.

Prepare profit & loss a/c for the year ended 31st December 2016 & Balance Sheet as on that date after taking into account the adjustments.

- Q. 2 The following is the Balance Sheet of Kuber Ltd. as on 31.03.2016 (16)

Liabilities	Amt / Rs.	Assets	Amt / Rs.
Share Capital Rs. 10 each		Goodwill	10,000

Equity Shares	2,40,000	Buildings	1,40,000
11% Preference Shares	1,50,000	Machinery	80,000
General Reserve	45,000	Furniture	10,000
Profit & Loss A/c	30,000	Investments	1,40,000
9% Debenture	1,00,000	Debtors	1,65,000
Sundry Creditors	60,000	Stock	75,000
Bank Overdraft	25,000	Cash & Bank	13,000
Provision for tax	15,000	Other current assets	20,000
		Share issue expenses	12,000
	6,65,000		6,65,000

Prepare Vertical Balance Sheet from the details given above.

Q. 3

Mr. Hemant maintains his books of accounts on single entry basis. The following details were extracted for the year ended 31st march 2016.

(16)

Particulars	31.03.2015	31.03.2016
Land & Building	1,00,000	2,00,000
Plant & Machinery	50,000	50,000
Furniture	12,000	12,000
Stock	14,000	16,000
Debtor	45,000	54,000
Cash & Bank Balance	15,000	12,000
Creditors	24,000	18,000
Outstanding Expenses	7,000	16,000
Provision for taxation	2,000	5,000

Mr. Hemant introduced additional Capital of Rs. 10,000 during the year. He withdraw evenly throughout the year an amount of Rs. 5,000. Depreciation was charged @10% on Plant & Machinery & 5% on Furniture maintain R.D.D. @ 2.5% on Debtors.

Your are required to find profit earned during the year ended 31st March 2016.

Q. 4

J Ltd. decided to redeem their preference shares as on 31st March, 2016 on that date their position was as under:

(16)

Balance Sheet as on 31.03.2016

Liabilities	Rs.	Assets	Rs.
<u>Share Capital</u>		Bank balance	1,40,000
4000, Equity Shares of Rs. 100 each	4,00,000	Fixed Assets	8,60,000
4000, 6% Redeemable Preference share of Rs. 50 each Rs. 25 per share paid	1,00,000		
2000, 8% Redeemable Preference Share of Rs. 100 each fully paid	2,00,000		

Reserve & Surplus			
Securities premium	20,000		
Capital Reserve	80,000		
Dividend Equalisation Reserve	1,10,000		
Current Liabilities	90,000		
	10,00,000		10,00,000

The redemption was to be only of fully paid preference shares at premium of 5% to enable the redemption to be carried out the company decides to issue, after carrying out the necessary formalities required under law, minimum number of new equity share of Rs. 100 each at a discount of 10%. the redemption is duly carried out. Show Journal Entries relating to the redemption & new issue & also the balance sheet after redemption.

Q. 5 Raj Ltd. was incorporated on 1st August 2015. The company agreed to take over business of M/s. Kiran & co. as going concern, with effect from 1st April 2015. (16)

Following is the Profit & Loss a/c for the year ended 31st March, 2016 (16)

Particulars	Amt./Rs.	Particulars	Amt./Rs.
To Opening Stock	1,50,000	By Sales (upto 31st July 2016 Rs. 1,50,000)	4,50,000
To Purchases	2,00,000	By Closing Stock	1,50,000
To Gross Profit c/d	2,50,000		6,00,000
	6,00,000	By Gross Profit b/s	2,50,000
To Administrative expenses	30,000		
To Directors fees	5,000		
To Audit fees	15,000		
To Advertisement expenses	25,000		
To Preliminary Interest	5,000		
To Bad Debts	5,000		
To Sales Commission on	2,000		
To Rent	6,000		
To Salaries	2,000		
To Net Profit	1,40,000		
	2,50,000		2,50,000

Additional Information:

- Investments were sold in December, 2014.
- Bad debts are pertaining to sales of last year.
- Rent for first six months were half of Rent collected in remaining year.

Calculate pre & post incorporation Profit for the year ended 31st March, 2016.

Q. 6 In the books of Praj Industries Ltd. Read the following ledger Account. (16)

Dr			Sudhirs A/c			Cr		
Date	Particulars	Amt/Rs.	Date	Particulars	Amt/Rs.			
1.1.16	To Balance b/d	20,000	7.1.16	By Cash	19,000			
5.1.16	To Sales	30,000	7.1.16	By Discount	1,000			

10.1.16	To Sales	50,000	15.1.16	By Bills Receivable	30,000
			31.1.16	By Balance c/d	50,000
		1,00,000			
1.2.16	To Bal b/d	50,000	5.2.16	By Bills Receivable	32,000
3.2.16	To Bills Receivable	30,000	10.2.16	By Bank a/c	48,000
9.2.16	To Sales	20,000	10.2.16	By Discount A/c	2,000
11.2.16	To Sales	5,000	12.2.16	By Sales Return	5,000
			29.2.16	By Bal c/d	18,000
		1,05,000			1,05,000

Q. 7 AB Ltd issued 60,000 equity shares of Rs. 10 each. The amount was payable as under: (16)

on Application Rs. 2

on Allotment Rs. 3

on First Call Rs. 2

& Final Call Rs. 3, per share

Company received 50,000 application and all were duly allotted. All the money was received in full except on 450 shares held by Mr. Vora, Who did not pay any thing after allotment.

Pass necessary journal entries in the books of the company.

Q. 8 Write any four from the following (16)

- Explain various types of capital
- State the legal provision for redemption of preference shares
- Limitations of single entry system of book keeping
- Describe the provisions of Companies Act 2013.
- "Current Assets are held for period within 12 months", discuss.
- Explain cost of goods sold.