

Day: Thursday
Date: 26-10-2017

W-2017-0231

Time: 11:00 A.M. To 2:00 P.M.
Max. Marks: 60

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non programmable **CALCULATOR** is allowed.

Q.1 Sudarshan Ltd. issued for public subscription 15,000 equity shares at (12) premium of Rs. 10 per share payable as follows:

On Application Rs. 20

On First Call Rs. 30 (including premium)

On Final call Rs. 20

Applications were received for 20,000 shares. The excess application for 5000 shares were rejected and application money was refunded.

All the Shareholders were paid all the amounts due except Mr. Mohan who failed to pay first and final call on 200 shares held by him. His shares were forfeited and reissued to Mr. Rohan at Rs. 80 per share as fully paid.

Pass necessary journal entries the books of Sudarshan Ltd.

Q.2 Bharat Ltd. was incorporated on 1st August, 2016 to take over the business of (12) Apple Ltd. as a going concern from 1st August, 2016. The statement of profit and Loss for the year ending 31st March, 2017 was as under:

	Particulars	Rs.
A)	Income:	
	Gross Profit	12,00,000
	Total (A)	12,00,000
B)	Expenditure:	
	Rent and Taxes	60,000
	Insurance	30,000
	Electricity	48,000
	Salaries	2,40,000
	Directors Fees	23,000
	Auditors Fees	15,000
	Commission	50,000
	Advertisement	60,000
	Discount	40,000
	Office Expenses	24,000
	Carriage outward	30,000
	Bank Charges	12,000
	Preliminary Expenses	43,000
	Bad Debts	80,000
	Interest on loan	45,000
	Total (B)	8,00,000
	Net Profit (A-B)	4,00,000

The total Sales for the year were Rs. 40,00,000 out of which sales of Rs. 12,00,000 were for the period up to 1st August 2016 and Rs. 28,00,000 being for remaining period. Prepare a statement showing the profits earned prior to and after incorporation.

P. T. O.

Q.3 Following is the Trial Balance of Ravi Ltd. as on 31st March, 2017. **(12)**

Particulars	Dr. Rs.	Particulars	Rs.
Debtors	1,20,000	Share Capital:	7,50,000
Purchases	1,80,000	Creditors	88,000
Land and Building	1,50,000	Sales	3,00,000
Stock 1/4/2016	1,00,000	Bad Debts Reserve 1/4/2016	5,000
Plant and Machinery	2,20,000	Unclaimed dividend	10,000
Salaries	30,000	Returns outward	2,000
Gas and Water	5,000	Profit and Loss Account 1/4/2016	30,000
Bad Debts	3,000	Interest on Investment	5,000
Trade Expenses	30,000		
Preliminary Expenses	13,000		
Rates and Insurance	2,000		
Goodwill	1,50,000		
Returns Inward	2,000		
Wages	43,000		
Investments	50,000		
Cash at Bank	92,000		
	11,90,000		11,90,000

Adjustments:

- a) Stock as on 31st March, 2016 was Rs. 1,20,000.
- b) Provide for Depreciation on Plant and Machinery at 5%.
- c) Provide for doubtful debts at 5%.
- d) Write off half of the preliminary expenses.
- e) Transfer Rs. 10,000 to General Reserve.

Prepare Statement of Profit and Loss and Balance Sheet in vertical form as per revised Schedule VI of the Companies Act, 2013

Q.4 Activa Co. Ltd issued 50,000 Redeemable Preference Share at Rs. 10 each on 1st April, 2012 redeemable at the option of the company on or after 31/3/2016 in whole or in part. The following redemption were made out of profits: **(12)**

On 31st March, 2016 Rs. 1,00,000

On 31st March, 2017 Rs. 2,00,000

On 1st June 2017 company issued 30,000 equity shares of Rs. 10 each as a premium of Rs. 2 per share and redeemed the remaining preference shares from fresh issue. These shares were fully subscribed.

Pass the journal entries to record the above transactions.

Q.5 Write short notes on any **THREE** of the following: **(12)**

- a) Forfeiture of shares
- b) Reissue of forfeited Equity Shares
- c) Difference between Shares and Debentures
- d) Issue of shares at par
- e) AS - 6: Depreciation Accounting

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