

Q. 1 A) State the following statement is TRUE or FALSE : (Any 8)

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- 1) Advertisement Expenses are allocated in sales Ratio.
- 2) Debenture must be redeemed within 10 years.
- 3) CRR stands for Capital Redemption Reserve.
- 4) Payment out of cash increases working Capital.
- 5) Post-incorporation profit is available for dividend.
- 6) Profit Prior to incorporation is distributed as dividend.
- 7) Partly paidup preference share cannot be redeemed.
- 8) Debentures cannot be converted into new equity shares.
- 9) To print reports Alt+P Key is used in tally.
- 10) In tally, budget can be on gross transactions.

B) Match the following : (Any 7)

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Group A	Group B
1) Irredeemable Preference Shares	a) Redemption of debentures.
2) CRR	b) Capital Reserve
3) Alt+F1	c) To add a voucher
4) Alt+F2	d) Good will
5) Alt+2	e) Cannot be issued
6) Alt+D	f) Fully Paidup Bonus Shares
7) Alt+A	g) To close company
8) DRR	h) To change Period
9) Loss Prior to Incorporation	i) In duplicate Voucher
10) Profit Prior to Incorporation	j) To delete a Voucher

Q. 2

Hindustan manufacturing limited redeemed 6% Debentures amounting to Rs. 4,00,000 of Rs. 100 each at Rs. 102 per share and offered the following options to debenture holders

- a) Issue equity share Capital of Rs. 20 each at Rs. 22.50 per share.
- b) Issue 8% debentures of Rs. 100 each at Rs. 96.
- c) redeemed in cash.

Debenture holders holding 1710 debenture accepted option (a)

Debenture holders holding 1,440 debenture accepted option (b)

The balance accepted option (c)

Pass journal entry for above transactions and prepare working note.

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OR**Q. 2**

X Ltd. issued 2000, 15% Debentures of Rs. 100 each on 1/1/2010 at 10% discount redeemable at 10% premium fully out of profits. Debentures are redeemable in lumpsum at the end of 4th year from the date of Issue. Company plans to redeem debentures entirely out of profits and to create DRR, for this purpose every year. Give Journal entries both at the time of issue and redemption of debentures.

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Q. 3

Aircraft limited was incorporated on 1st August 2012. The Company agreed to take over the business of kid craft Ltd. as going concern, effective from 1st April 2012. The agreement also provided that Vendors are entitled to 60% of profits for period upto 1st August 2012. The profit & loss account for year ended 31st March 2013, is as follows :

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Stock	30,000	By Sales	3,00,000
To Material Consumed	1,20,000	By Closing Stock	42,000
To Wages	30,000		
To factory expenses	42,000		
To Gross profit C/d	1,20,000		
	3,42,000		3,42,000
To Salaries	30,000	By Gross Profit C/d	1,20,000
To Rent	9,000		
To Office Expenses	6,000	By Profit on	
To Sales Commission	15,000	Investment	20,000
To Bad debts	5,000		
To Directors Free	8,000		
To Depreciation	18,000		
To Debenture Interest	8,000		
To Interest to vendor	6,000		
To Net profit	35,000		
	1,40,000		1,40,000

Additional Information :

- 1) Monthly sales for october 2012 to March 2013 is 150% of monthly sales for April 2012 to September 2012.
 - 2) Bad debts is in respect of sales effected two years ago.
 - 3) Investment sold on 1st November, 2012.
 - 4) Consideration to Vendors was paid on 1st oct 2012.
 - 5) Rent was increased from Rs. 500 per month to Rs. 1000 per month effective from 1st oct, 2012.
- Prepare Profit & loss Account.

OR

Q. 3

Following is the Trial Balance of Integrated electronics Ltd. as on 31st March 2012 :

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Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
Cash and Bank	53,800	Share Capital	9,20,000
Investment	10,000	9% Debentures	3,00,000
Bills Receivable	1,40,000	Bank overdraft	2,00,000
Debtors	5,50,000	Creditors	2,40,000
Security Deposite	4,000	Profit & loss A/C	2,90,000
Goodwill	65,000	Security premium	90,000
Land & Bldg	1,90,000	Interest on debenture	
(Cost Rs. 2,50,000)		Accoured and due	6,750
Plant (cost Rs. 5,00,000)	3,00,000	bills Payable	30,000
Furniture (cost Rs. 80,000)	45,000	General Reserve	1,00,000
		Capital Reserve	10,000
Advance tax (2009-10)	1,00,000	Provision for Tax	1,20,500
Stock	8,49,450	(Ay 2009-10)	
	23,07,250		23,07,250

- 1) Sunday Debtors, Which are all unsecured and considered good, inclued Rs. 90,000 due for more than six months.
- 2) Investment represent 2,500 equity shares in X Ltd. of Rs. 10 each, Rs. 4 per share called and paid-up
- 3) Bills Receivable discounted with bank not matured till the balancesheet date amounted to Rs. 15,000/-

Prepare Balance Sheet as on 31st marhc 2012, Ignore previous year figures

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Q. 4

Following is the Balancesheet of Tata Ltd. :

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	5,00,000	Fixed Assets	8,00,000
Preferences share		Investment	2,00,000
Capital	3,00,000		
General Reserve	2,00,000	Current Assets	3,00,000
P & L A/c	1,00,000	Cash and Bank	2,00,000
Security Premium	1,00,000		
Sundry Liabilities	3,00,000		
	15,00,000		15,00,00

P.T.O.

Adjustments :

- 1) Company Wants to redeem preference share @ 10% premium for which 10,000 equity share of Rs.10 each issued at par.
- 2) Company declared 1 bonus share for every 5 original equity shares
- 3) Investment sold for Rs.2,20,000/-

Pass Journal Entry & Prepare Balancesheet after redemption

OR**Q. 4**

Following is the balancesheet of Riya Ltd.

Liabilities	Rs.	Assets	Rs.
Equity Share Capital		Fixed Assets	7,20,000
Capital	5,00,000	Investment	1,20,000
Preference Share			
Capital	4,00,000	Current Assets	3,00,000
General Reserve	2,00,000	Cash	3,70,000
P & L A/c	1,50,000		
Security Premium	70,000	Preliminary Expenses	10,000
Current Liabilities	2,00,000		
	15,20,000		15,20,000

Adjustments :

- 1) Preferences share are redeemed at 10% premium for which company issued 15000 equity share of Rs. 10 each at Rs. 12 per share.
- 2) Investment sold at 25% profit on cost.
- 3) Company issued 5 Bonus share for every 13 equity shares including fresh Issue.

Pass Journal entry Prepare Balancesheet after redemption.

Q. 5**Write short Notes (Any 3)**

- 1) Redemption of Preference share Capital.
- 2) Write any 5 function Key.
- 3) Redemption by Conversion.
- 4) Disclosure of Trade Receivables.
- 5) Contingent Liabilities.

— The End —