

(2 Hours)

- N.B. :** (1) All questions are compulsory.
(2) Figures to the right indicate full marks.

1. (a) Fill in the blanks: (Attempt any eight) 8
- (1) Preference shares redeemable within _____ years can be issued.
 - (2) _____ paid preference shares cannot be redeemed.
 - (3) Sinking fund account shall always show a _____ balance.
 - (4) Profit on cancellation of own debenture is _____ profit.
 - (5) If the buy back is at a discount, the amount of discount is credited to _____ account.
 - (6) Buy back of equity shares leads to _____ in the earnings per share.
 - (7) Non-occupancy charges cannot exceed _____ % of service charges.
 - (8) Loss on cancellation of own debentures is transferred to _____ account.
 - (9) The transfer fees should not exceed Rs. _____
 - (10) The debenture is a _____ of a company.
- (b) State whether the following statements are true or false : (Attempt any seven) 7
- (1) Interest on calls in advance is allowed @ 10%.
 - (2) Forfeited shares cannot be issued at a premium.
 - (3) A new company cannot issue shares at discount.
 - (4) Share application account is a personal account.
 - (5) Capital redemption reserve amount can be utilised for writing off share issue expenses.
 - (6) Debentures can be redeemed by payments in annual installments.
 - (7) Only fully paid equity shares can be bought back.
 - (8) A company can issue irredeemable debentures.
 - (9) Partly paid preference shares can be redeemed.
 - (10) Expenses on the issue of debenture is deferred revenue expenditure.

[TURN OVER

2. A Ltd. company issued for public subscription 80,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as under:

On application Rs. 2 per share;
On allotment Rs. 5 per share (including premium);
On first call Rs. 2 per share and
On second call Rs. 3 per share.

Applications were received for 1,00,000 shares. Allotment was made pro-rata. Money overpaid on application was utilised towards sum due on allotment. Mr. Dave to whom 2,000 shares were allotted failed to pay money on allotment and two calls. These shares were subsequently forfeited after the second call was made. All the forfeited shares were sold to Mr. Rajwade as fully paid up at Rs. 8 per share. Show journal entries in the books of company.

OR

2. M Ltd. is incorporated with an authorised capital of Rs. 20,00,000 divided into 20,000 equity shares of Rs. 100 each. The company issued 10,000 equity shares of Rs. 100 each payable as under:

On application Rs. 20,
On allotment Rs. 30,
On first call Rs. 20 and On final call Rs. 30

Applications were received for 15,000 shares. The directors decided to allot the shares as follows:

To the applicants for 7,000 shares- full;
To the applicants for 5,000 shares- 3,000 shares;
To the applicants for 3,000 shares- Nil.

The directors did not make the final call. All the money due on shares were duly received except the first call on 500 shares.

Pass journal entries.

3. Following is the summary balance sheet of M Ltd. as on 31-3-2012.

	₹	Assets	₹
Liabilities		Fixed asset	7,00,000
Share capital:		Current assets	5,00,000
5,000 Equity shares of Rs. 100 each	5,00,000	Bank balance	2,10,000
5,000 Preference shares of Rs. 100 each	5,00,000		
Security premium	10,000		

4. From the following trial balance as on 31 -3-2015, prepare final accounts of Mangal co-operative housing society in the prescribed format as per applicable legal provisions.

Particulars	₹	Particulars	₹
Share of MDCH federation	100	Collection from members	3,97,761
Cash in banks	3,08,575	Collection for sinking fund	10,000
Cash on hand	6	Income and expenditure account	26,605
Electricity charges	76,170	Interest - fixed deposit	62,726
Fixed deposits	8,00,568	Interest - saving bank	8,022
Furniture and fittings	734	Sinking fund - opening	1,65,000
Insurance charges	9,557	Statutory reserve fund-opening	7,65,00
Office expenses	1,344	Subscribed:	
Professional fees	7,000	100 shares of Rs. each	5,000
Property taxes	1,49,723		
Repairs and maintenance	42,940		
Salaries	36,500		
Subscription to housing federation	500		
Subscription to education fund	300		
Water charges	36,758		
	14,70,775		14,70,775

Adjustments:

- Outstanding expenses:-
 - Salary Rs. 3,200
 - Water charges Rs. 12,394
 - Repairs and maintenance Rs. 4,200
 - Electricity charges Rs. 13,500.
- Depreciation on furniture@ 10%.
- Authorised capital : 180 shares of Rs. 50 each.
- Dues from members for establishment expenses Rs. 43,242.

OR

4. Write short notes on (any three):

- Redemption of preference shares
- Buy-back of equity shares.
- Bonus shares
- Right shares
- Capital reserve

15

15