

<b>Semester</b>	IV
<b>Class</b>	SY Bcom
<b>Name of the Department</b>	Accountancy
<b>Paper no.</b>	IV
<b>Title of the Paper</b>	ACCOUNTANCY & FINANCIAL MANAGEMENT
<b>Name of the Teacher</b>	Prof. Dipti Patil

### Question Bank:

1) The summarised Balance sheet of AMC Ltd. As on 31.03.2017 is given below:

<b>Liabilities</b>	<b>Amount</b>	<b>Asset</b>	<b>Amount</b>
5,000 Equity shares of Rs.100 each fully paid up	5,00,000	Fixed Assets	3,00,000
9% redeemable preference shares of Rs.10 each	2,00,000	Investment	2,00,000
Profit and loss A/c	2,00,000	Cash at bank	10,000
Current Liabilities	10,000	Other current asset	4,00,000
<b>Total</b>	<b>9,10,000</b>	<b>Total</b>	<b>9,10,000</b>

On 1<sup>st</sup>April 2017 the company:

1. Redeemed the preference share at a premium of Rs.2 per share
2. Realized investments at 80% of the cost
3. Issued Equity share at a premium of Rs. 40 per share, credit balance in profit and loss A/c after redemption would be Rs. 25,000.

Pass journal entries and prepare Balance sheet after redemption.

2) The summarized Balance sheet of SP Ltd. As on 31.03.2017 is given:

<b>Liabilities</b>	<b>Amount</b>	<b>Asset</b>	<b>Amount</b>
40000 Equity shares of Rs.10 each fully paid up	4,00,000	Fixed Assets	4,00,000
8%, 1000 redeemable preference shares of Rs.100 each	1,00,000	Investment	1,00,000
Profit and loss a/c	90,000	Cash at bank	2,50,000
General Reserve	50,000		
Sundry Creditors	1,10,000		
<b>Total</b>	<b>7,50,000</b>	<b>Total</b>	<b>7,50,000</b>

On 01.04.2017 Preference shares were redeemed at premium of 10%. The company redeemed the preference shares as per provisions of companies Act 2013. You are required to pass the journal entries and prepare the balance sheet after redemption.

3) Hindustan Ltd. Had issued 5,000 – 12% debentures of Rs.100 each redeemable on 31<sup>st</sup> December, 2014 at par.

The Company offered three options to the debenture-holders as under:

- i) 14% preference shares of Rs.10 each at Rs.12.
- ii) 15% debenture of Rs.100 each at par.
- iii) Redemption in cash.

The options were accepted as under:

Option 1 by holders of 1,500 debentures. Option 2 by holders of 1,500 debentures.

Option 3 by holders of 2,000 debentures.

The redemption was carried out by the Company.

Pass Journal Entries in the books of Hindustan Ltd. Without narration.

**(Issue for lump sum on different conditions)**

1. Pass Journal Entries:
  - a) Issue of Rs.50, 000, 8% debentures at par.
  - b) Issue of Rs.50, 000 8% debentures at a discount of 10% redeemable at par.
  - c) Issue of Rs.50, 000 8% debentures at a premium of 5% redeemable at par.
  - d) Issue of Rs.50, 000 8% debentures at par redeemable at 10% premium.

e) Issue of Rs.50, 000 8% debentures at a discount of 5% and redeemable at 5% premium.

Show how will you treat the loss form premium payable on redemption of debentures?

4)The following balances appeared in the books of paradise Ltd. On 1-4-2017:

- i) 12% Debentures Rs.7,50,000
- ii) Balance of Sinking Funds Rs.6,00,000
- iii) Sinking Fund investment Rs.6, 00,000 represented by 10% Rs.6,50,000 secured bonds of government of India.

Annual contribution to the Sinking funds was Rs.1,20,000 made on 31<sup>st</sup> March each year. On 31-.3-2018, balance at bank was Rs.3,00,000 before receipt of Interest. The company sold the investment at 90% for redemption of debentures at a premium of 10% on the above date.

You are required to prepare the following accounts for the year ended 31<sup>st</sup> March, 2018.

1. Debentures Account
2. Sinking Fund Account
3. Sinking Fund Investment Account
4. Bank Account
5. Debenture holders Account

5) Gavaskar Ltd. Company was incorporated on 1<sup>st</sup> May, 2018 to purchase running business of Imran khan Ltd. From 1<sup>st</sup> January, 2018.

**Profit & Loss A/c**  
**For the year ended 31<sup>st</sup> December, 2018**

Particular	Rs.	Particular	Rs.
To Salaries	39,600	By Gross Profit	1,70,500
To Directors' Fees	5,060		
To Rent & Taxes	12,000		
To Electricity Charges	2,400		
To Insurance	3,000		
To Commission	7,600		
To Advertising	4,500		
To Discount	3,700		
To Carriage	2,800		

To Office Expenses	8,000		
To Bank Charges	1,500		
To Preliminary Expenses	6,500		
To Bad Debts	2,500		
To Interest on Loans	3,000		
To net Profit	68,340		
	1,70,500		1,70,500

The total sales for the year ended 31<sup>st</sup> December, 2018 was Rs.5,50,000 out of which Rs.1,37,500 were for the period from 1<sup>st</sup> January, 2018 to 1<sup>st</sup> May,2018.Find out the profit prior to incorporation and subsequent to incorporation.

6) ABC Ltd. Was incorporated to take over the running business of A & Co. effect from 1<sup>st</sup> April 2017. The company was incorporated on 1<sup>st</sup> Aug 2017.

Particular	Rs.	Particular	Rs.
To office Salaries	210000	By Gross Profit	700000
To Partner's Salaries	60000	By shares transfer fess received	10000
To Advertising	63000		
To Printing and stationery	15000		
To Travelling expenses	40000		
To Office rent	96000		
To Auditor's remuneration	6000		
To Director's fees	10000		
To Bad debts	12000		

