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12.b.	Identify the various types of debentures.																																
13.a.	<p>Klusener Ltd. Had Rs.21,00,000 profit on 31.3.1998 after making provision for depreciation and taxation. Rs.1,30,400 profit was brought forward from last year. Following recommendations were made by the directors of the company to appropriate the profits:</p> <ul style="list-style-type: none">i) To transfer Rs.6,30,000 to general reserveii) To pay Rs.85,000 as ex-gratia bonus to employee of the companyiii) To declare dividend @5% on equity shareiv) To transfer Rs.45,000 to staff gratuity reservev) To transfer Rs.50,000 to development rebate reservevi) To transfer Rs. 90,000 to deferred taxation reserve <p>The company's capital consisted of 1,00,000 equity shares of Rs. 10 each fully paid. For the year ending at 31.3.98 the directors transferred Rs. 40,000 to dividend equalisation reserve and Rs.30,000 to debenture redemption fund account. Prepare profit & loss appropriation account.</p>	K3	CO3																														
(OR)																																	
13.b.	<p>Calculate the maximum remuneration available to a full-time director of a manufacturing company. The profit and loss account of the company showed a net profit of Rs.40,00,000 after taking into account the following items:</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>i) Depreciation (including special depreciation of Rs. 40,000)</td><td>1,00,000</td></tr><tr><td>ii) Provision for income tax</td><td>2,00,000</td></tr><tr><td>iii) Donation to political parties</td><td>50,000</td></tr><tr><td>iv) Ex-gratia payment to a worker</td><td>10,000</td></tr><tr><td>v) Capital profit on sale of assets</td><td>15,000</td></tr></table>		Rs.	i) Depreciation (including special depreciation of Rs. 40,000)	1,00,000	ii) Provision for income tax	2,00,000	iii) Donation to political parties	50,000	iv) Ex-gratia payment to a worker	10,000	v) Capital profit on sale of assets	15,000																				
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14.a.	<p>The profits of X Ltd. for the last 5 years were as follows:</p> <table><tr><th>Year</th><th>Profit</th></tr><tr><td>1994</td><td>15,000</td></tr><tr><td>1995</td><td>18,000</td></tr><tr><td>1996</td><td>22,000</td></tr><tr><td>1997</td><td>25,000</td></tr><tr><td>1998</td><td>27,000</td></tr></table> <p>Compute the value of goodwill of X Ltd. on the basis of 4 years purchase of weighted average profit after assigning weights 1,2,3,4, and serially to the profits.</p>	Year	Profit	1994	15,000	1995	18,000	1996	22,000	1997	25,000	1998	27,000	K4	CO4																		
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14.b.	<p>The following particulars relate to a company, which has gone into voluntary liquidation. Prepare liquidator's final statement of account, allowing for his remuneration at 2% on the amount realized and 2% on the amount distributed to unsecured creditors other than preferential creditors.</p> <table><tr><td></td><td>Rs.</td></tr><tr><td>Preferential creditors</td><td>24,200</td></tr><tr><td>Unsecured creditors</td><td>1,32,100</td></tr><tr><td>Liquidation expenses</td><td>1,000</td></tr><tr><td>Assets realized</td><td>1,51,000</td></tr></table>		Rs.	Preferential creditors	24,200	Unsecured creditors	1,32,100	Liquidation expenses	1,000	Assets realized	1,51,000																						
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15.a.	<p>The following balance sheet of H Ltd & S Ltd as on 31st March 2008</p> <table><tr><th>Liabilities</th><th>H Rs.</th><th>S Rs.</th><th>Assets</th><th>H Rs.</th><th>S Rs.</th></tr><tr><td>Capital Re 1share</td><td>1,400</td><td>1,000</td><td>900 shares in S at cost</td><td>1,200</td><td>-</td></tr><tr><td>Creditors</td><td>-</td><td>500</td><td>Sundry assets</td><td>200</td><td>1,800</td></tr><tr><td>P&L a/c</td><td>-</td><td>300</td><td></td><td></td><td></td></tr><tr><td></td><td>1,400</td><td>1,800</td><td></td><td>1,400</td><td>1,800</td></tr></table> <p>When H Ltd. acquired the shares in S, the profit and loss A/c of the latter had a credit balance of Rs.200. Prepare a consolidate Balance sheet.</p>	Liabilities	H Rs.	S Rs.	Assets	H Rs.	S Rs.	Capital Re 1share	1,400	1,000	900 shares in S at cost	1,200	-	Creditors	-	500	Sundry assets	200	1,800	P&L a/c	-	300					1,400	1,800		1,400	1,800	K4	CO5
Liabilities	H Rs.	S Rs.	Assets	H Rs.	S Rs.																												
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15.b.	<p>Calculate the cost of control after the issue of bonus shares. S Ltd., has capital of Rs.15,00,000 in shares of Rs.100 each. Out of this, 'H' Ltd., purchased 75% of the shares at Rs.17,50,000. The profit of 'S' Ltd at the time of purchase of shares by 'H' Ltd., was Rs.7, 50,000. 'S' Ltd., decided to make a bonus issue out of Capital profits of one share of Rs.100 each fully paid for every three shares held.</p>	K4	CO5																														

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Q. No.	Question	K Level	CO								
16	<p>B Ltd having a nominal capital of Rs.20,00,000 in shares of Rs.100 each invited applications for 10,000 shares. Payable as follows:</p> <table> <tr> <td>On application</td><td>Rs.25</td> <td>On allotment</td><td>Rs.35</td> </tr> <tr> <td>On first call</td><td>Rs.20</td> <td>On final call</td><td>Rs.20</td> </tr> </table> <p>The company received applications for 9000 shares. All the applications were accepted. All moneys due as stated above were received with the exception of the final call on 200 shares. These shares were forfeited and reissued as fully paid @ Rs.90 per share. Show the necessary journal entries in the books of the company.</p>	On application	Rs.25	On allotment	Rs.35	On first call	Rs.20	On final call	Rs.20	K1	CO1
On application	Rs.25	On allotment	Rs.35								
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17	<p>A company issued 6% Debentures of Rs.1,00,000 with a condition that they should be redeemed after 3 years at 10%. The amount allocated for the redemption of debentures is invested in 5%. State Government Securities.</p> <p>The Sinking Fund Table shows that Rs.0.317209 at 5% compound interest in 3 years will become Re.1. Prepare ledger accounts for all the three years.</p>	K2	CO2																																																																																							
18	<p>A Ltd was registered with an Authorized capital of Rs. 6,00,000 in equity shares of Rs.1each The Following is its Trial Balance on 31st March 1998.</p> <p style="text-align: center;">Trial Balance of 'A' Ltd.</p> <table><tr><th>Particulars</th><th>Debit Balance Rs.</th><th>Credit Balance Rs.</th></tr><tr><td>Goodwill</td><td>25,000</td><td>-</td></tr><tr><td>Cash</td><td>750</td><td>-</td></tr><tr><td>Bank</td><td>39,000</td><td>-</td></tr><tr><td>Purchase</td><td>1,85,000</td><td>-</td></tr><tr><td>Preliminary expenses</td><td>5,000</td><td>-</td></tr><tr><td>Share capital</td><td>-</td><td>4,00,000</td></tr><tr><td>12% debentures</td><td>-</td><td>3,00,000</td></tr><tr><td>P & L A/c (Cr)</td><td>-</td><td>26,250</td></tr><tr><td>Calls-in-arrears</td><td>7,500</td><td>-</td></tr><tr><td>Premises</td><td>3,00,000</td><td>26,250</td></tr><tr><td>Plant & Machinery</td><td>3,30,000</td><td>-</td></tr><tr><td>Interim dividend</td><td>39,250</td><td>-</td></tr><tr><td>Sales</td><td>-</td><td>4,15,000</td></tr><tr><td>Stock (1.4.97)</td><td>75,000</td><td>-</td></tr><tr><td>Furniture & fixtures</td><td>7,200</td><td>-</td></tr><tr><td>Sundry debtors</td><td>87,000</td><td>-</td></tr><tr><td>Wages</td><td>84,865</td><td>-</td></tr><tr><td>General expenses</td><td>6,835</td><td>-</td></tr><tr><td>Freight and carriage</td><td>13,115</td><td>-</td></tr><tr><td>Salaries</td><td>14,500</td><td>-</td></tr><tr><td>Director's fees</td><td>5,725</td><td>-</td></tr><tr><td>Bad debts</td><td>2,110</td><td>-</td></tr><tr><td>Debenture interest paid</td><td>18,000</td><td>-</td></tr><tr><td>Bills payable</td><td>-</td><td>37,000</td></tr><tr><td>Sundry creditors</td><td>-</td><td>40,000</td></tr><tr><td>General reserve</td><td>-</td><td>25,000</td></tr><tr><td>Provision for bad debts</td><td>-</td><td>3,500</td></tr><tr><td></td><td>12,46,750</td><td>12,46,750</td></tr></table> <p>Find the statement of Profit & Loss and Balance Sheet in proper form after Making the following adjustment:</p> <ol style="list-style-type: none">1. Depreciate plant and machinery by 15%2. Write off preliminary expenses3. Provide for 6 months interest on debentures4. Leave bad and doubtful debts provision at 5% on sundry debtors.5. Provide for income tax at 50%.6. Stock on 31.3.1998 was Rs. 95,000.7. Provide for corporate dividend tax @ 17%	Particulars	Debit Balance Rs.	Credit Balance Rs.	Goodwill	25,000	-	Cash	750	-	Bank	39,000	-	Purchase	1,85,000	-	Preliminary expenses	5,000	-	Share capital	-	4,00,000	12% debentures	-	3,00,000	P & L A/c (Cr)	-	26,250	Calls-in-arrears	7,500	-	Premises	3,00,000	26,250	Plant & Machinery	3,30,000	-	Interim dividend	39,250	-	Sales	-	4,15,000	Stock (1.4.97)	75,000	-	Furniture & fixtures	7,200	-	Sundry debtors	87,000	-	Wages	84,865	-	General expenses	6,835	-	Freight and carriage	13,115	-	Salaries	14,500	-	Director's fees	5,725	-	Bad debts	2,110	-	Debenture interest paid	18,000	-	Bills payable	-	37,000	Sundry creditors	-	40,000	General reserve	-	25,000	Provision for bad debts	-	3,500		12,46,750	12,46,750	K4	CO3
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19	<p>The balance sheet of Saraswati Co ltd disclosed the following positions as on 31st December 1998.</p> <table><tr><th>Liabilities</th><th>Rs.</th><th>Assets</th><th>Rs.</th></tr><tr><td>Share capital:</td><td></td><td>Goodwill</td><td>1,65,000</td></tr><tr><td>6,000 equity shares of Rs 100 each</td><td>6,00,000</td><td>Investments</td><td>5,25,000</td></tr><tr><td>Profit & Loss a/c</td><td>75,000</td><td>Stock</td><td>6,60,000</td></tr><tr><td>General reserve</td><td>2,25,000</td><td>Sundry debtors</td><td>3,90,000</td></tr><tr><td>6% debentures</td><td>4,50,000</td><td>Cash at bank</td><td>60,000</td></tr><tr><td>Sundry creditors</td><td>1,50,000</td><td></td><td></td></tr><tr><td>Workmen's saving bank a/c</td><td>3,00,000</td><td></td><td></td></tr><tr><td></td><td>18,00,000</td><td></td><td>18,00,000</td></tr></table> <p>i) The profits for the last 5 years were:</p> <table><tr><th>Years</th><th>Rs</th></tr><tr><td>1994</td><td>30,000</td></tr><tr><td>1995</td><td>70,000</td></tr><tr><td>1996</td><td>50,000</td></tr><tr><td>1997</td><td>55,000</td></tr><tr><td>1998</td><td>95,000</td></tr></table> <p>ii) The market value of investments was Rs 3,30,000.</p> <p>iii) Goodwill is to be valued at three years purchase of the average annual profits for the last 5 years. Determine the intrinsic value of each share.</p>	Liabilities	Rs.	Assets	Rs.	Share capital:		Goodwill	1,65,000	6,000 equity shares of Rs 100 each	6,00,000	Investments	5,25,000	Profit & Loss a/c	75,000	Stock	6,60,000	General reserve	2,25,000	Sundry debtors	3,90,000	6% debentures	4,50,000	Cash at bank	60,000	Sundry creditors	1,50,000			Workmen's saving bank a/c	3,00,000				18,00,000		18,00,000	Years	Rs	1994	30,000	1995	70,000	1996	50,000	1997	55,000	1998	95,000	K4	CO4																																							
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