

Time Allowed: 1 ½ Hr.]

[Max. marks: 40

- On 1.4.2005 Raja Ltd. issued 1000, 9% debentures of Rs. 100 each. 40% of these debentures were redeemable at the end of 3rd year by converting them into Equity Shares of Rs. 100 each at par. The remaining debentures were redeemable at the end of 4th year by converting the same into Equity Shares of Rs. 100 each issued at a premium of 25%.
Pass necessary journal entries in the books of the company for the Issue and Redemption of Debentures. (6)
- Following is the Receipts and Payments Account of Indian Sports Club, prepare Income and Expenditure Account and Balance Sheet as on December 31, 2006:

Receipts	Rs.	Payments	Rs.
Balance b/d	7,890	Salary	11,000
Subscriptions	52,000	Electric Charges	5,500
Life Membership Fee	2,200	Billiard Table	17,500
Entrance Fee	3,200	Office Expenses	4,100
Tournament Fund	26,000	Printing and Stationery	2,300
Locker Rent	1,250	Tournament Expenses	18,500
Sale of Old Sports Goods (Costing Rs. 2,200)	2,500	Repair of Ground	2,000
Sale of Old Newspaper	750	Furniture Purchased	7,700
Legacy	37,500	Sports Equipments	12,000
		Cash in Hand	12,690
		Cash at Bank	10,000
		Fixed Deposits (on 1.10.06 for 10% p.a.)	30,000
	1,33,290		1,33,290

Other Information:

Subscription outstanding was on December 31, 2005 Rs. 1,200 and Rs. 3,200 on December 31, 2006. Locker rent outstanding on December 31, 2006 Rs. 250, Salary outstanding on December 31, 2006 Rs. 1,000.

On January 1, 2006, Club has building Rs. 36,000, furniture Rs. 12,000. Sports equipments Rs. 17,500. Depreciation charged on these items @ 10% (including purchase). (6)

- Ram, Shyam and Mohan are partners sharing profits in the proportion of 4:3:2. On 31st December, 2004 their Balance Sheet stood as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	4,000	Goodwill	3,600
General Reserve		Plant & Machinery	14,000
Capitals:	9,000	Stock	4,000
Ram 10,000		Sundry Debtors	6,000
Shyam 9,000		Cash at Bank	11,400
Mohan 7,000			
	26,000		
Total	39,000	Total	39,000

Shyam died on 14-3-2005. According to the Partnership Deed, the executors of a deceased partner was entitled to:

- Balance of the Partner's capital A/c and his share of accumulated reserves.
- Interest on Capital @ 10% p.a.
- His share of goodwill calculated on the basis of twice the average profits of the past three completed years.
- Share of profits from the closure of the last accounting year till the date of death on the basis of the average profits of the 3 completed years before death.

Rs. 5,000 to be paid to Shyam's executor and balance due to him was to be kept in his loan account.

Profits for the three years 2002, 2003 and 2004 were Rs. 9,600; Rs. 12,800 and Rs. 10,000 respectively.

Pass necessary journal entries to record the above transactions on the death of Shyam. (6)

- From the following Balance Sheets of Samta Ltd. as on 31.12.2007 and 31.12.2008. Prepare a Cash Flow Statement: 6

Liabilities	31.12.07	31.12.08	Assets	31.12.07	31.12.08
Share Capital	1,50,000	2,00,000	Fixed Assets	1,20,000	1,80,000
P & L A/c	20,000	40,000	Current Assets	70,000	1,10,000
Current Liabilities	30,000	40,000	Miscellaneous Expenditure	20,000	10,000
Proposed Dividend	10,000	20,000			
Total	2,10,000	3,00,000	Total	2,10,000	3,00,000

Additional information:

- a) During the year Rs.80,000 depreciation was charged on fixed assets.
 b) A piece of machinery included in fixed assets costing Rs. 20,000 on which depreciation charged was Rs. 8,000, was sold for Rs. 10,000. (6)

5. Veer Ltd. invited applications for issuing 1,00,000 equity shares of Rs. 500 each premium of Rs. 100 per share. The amount was payable as follows:

On application Rs. 200 per share; On allotment Rs. 300 per share (including premium) and balance On first and final call Applications for 2,00,000 shares were received. Applications for 50,000 shares were and the application money was refunded. Pro-rata allotment was made to remaining applicants. Amount overpaid with application was adjusted towards the on allotment. All calls were made and were duly received except the first and final call on 100 allotted to Vasu. These shares were forfeited. The forfeited shares were re-issued Ravi for Rs. 60,000 fully paid up.

Pass necessary journal entries in the books of the company for the above transactions. (8)

Or

Raja Ltd. invited applications for issuing 1,00,000 equity shares of Rs. 500 each at a discount of 10%. The amount was payable as follows:

On application — Rs. 100 per share. On allotment — Rs. 150 per share. On first and final call — balance of the amount Applications for 2,00,000 shares were received. Applications for 50,000 rejected and application money was refunded. Pro-rata allotment was made to remaining applicants. Excess application money received from the whom pro-rata allotment was made, was adjusted towards sums due on allotment.

All calls were made and were duly received except the first and final on 200 shares held by Nath. His shares were forfeited. The forfeited shares were re-issued to Neha for Rs. 95,000 fully paid up.

Pass necessary journal entries in the books of the company for the above transactions.

6. P, Q and R were partners in a firm sharing profits in the ratio of 2:2:1. Their Balance Sheet on 31.3.2006 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	30,000	Cash at Bank	3,000
Provident Fund	8,000	Debtors	25,000
Reserve Fund	12,000	Loss: PDD	<u>1,000</u>
Capitals:		Stock	12,000
P	30,000	Investments	14,000
Q	30,000	Patents	7,000
R	<u>20,000</u>	Plant & Machinery	70,000
Total	1,30,000	Total	1,30,000

R retired on the above date on the following terms:

- Goodwill of the firm valued at Rs. 1,00,000.
- Value of patents was to be reduced by 20% and that of Plant and Machinery by 10%.
- Provision for doubtful debts was to be raised to 6%.
- R took over the investments at a value of Rs. 15,800.
- Liability on account of provident fund was only Rs. 6,600.

Prepare Revaluation Account; the Capital Accounts of the partners and the Balance Sheet of P and Q after R's retirement.

Or

Following is the Balance Sheet of Shashi and Ashu sharing profits as 3:2.

Liabilities	Rs.	Assets	Rs.
Creditors	18,000	Debtors	22,000
General Reserve	25,000	Less: Prov. for D/D	<u>1,000</u>
Workmen's Compensation Fund	15,000	Land & Building	18,000
Capital:		Plant & Machinery	12,000
Shashi	15,000	Stock	11,000
Ashu	<u>10,000</u>	Bank	21,000
Total	83,000	Total	83,000

On admission of Tanya for 1/6th share in the profits, it was decided that:

- Provision for doubtful debts to be increased by Rs. 1,500.
- Value of land and building to be increased to Rs. 21,000,
- Value of stock to be increased by Rs. 2,500.
- The liability of workmen's compensation fund was determined to be Rs. 12,000.
- Tanya brought Rs. 15,000 for her capital and Rs. 10,000 as her share of goodwill in cash.
- Tanya was to bring further cash of.

Hello dear students I am Pankaj Sir a tutor from East Delhi.....if u have queries in Accounting you can mail me on: Pankaj_july1986@yahoo.com or july25pankaj@gmail.com.

In my point of view mostly Accountancy teachers and tutors are crammers.....most of you guys want to do CA/CS/CWA, I want to suggest you that don't believe in teacher as they taught only what they had learnt while studying or teach with the help of Key. I can prove it.....if u want. Use your own mind. Study with accounting concept.

All the best for exams and don't be crammer.

Prepare Revaluation A/c, Capital A/cs and Balance Sheet of the new firm. (8)