

VIDYASAGAR MAHAVIDYALAYA

ONLINE INTERMEDIATE EXAMINATION / ASSIGNMENT 2020

SEMESTER V

CORPORATE ACCOUNTING

GR A

20X2 =40

1. The balance sheet of G ltd as on 31.12.2019

Liabilities:	
Equity shares of Rs.10 each	200000
Less calls in arrear @Rs.2	10000
14% preference shares of Rs.100	100000
Securities premium	10000
Investment allowance reserve	40000
Development rebate reserve	20000
Workmen compensation fund	10000
Dividend equalization reserve	12000
Profit and loss account	38000
Unsecured loans	180000
	620000
Assets	
Non current assets	420000
Current assets(including bank balance Rs.110000)	200000
	620000

The board of directors decided to redeem the preference shares on 1st January 2020 on the following conditions

Issue 4000 fresh equity shares

Redeem preference shares at a premium of 10%

Pass necessary journal entries assuming that holders of 100 Preference shares could not be traced by the company.

2. The following balances are extracted from the books of K Ltd.

Land and building	5112000	
Furniture and fittings	266000	
Capital work in progress	98000	
Calls in arrear	50000	
Cash in hand	10000	
5% tax free govt loan (FV Rs.200000)	197600	
Bills receivable	272000	
Goodwill	320000	
Trade debtors	416000	
Trade creditors		612000
General reserve		300000
Profit and loss account (1.4.2017)		176000
Bank overdraft		223600
Purchase and returns	4800000	100000
Sales and returns	140000	6156000
Advertisement	178800	
Legal charges	20000	
Carriage on goods purchased	74000	
Wages and salaries including PF	464000	
Repairs and trade expenses	71200	
Opening stock	952000	
Income tax (advance)	56000	
Interim dividend paid	70000	
Share capital(@ Rs. 10 each)		4000000
6 % debentures of Rs. 100 each		2000000
	13567600	13567600

Additional information:

1. Closing stock was valued at Rs. 1082000 at cost , but market value of which was Rs. 1210000
2. Provision for doubtful debts to be created @ 5%

3. Depreciation on all assets was calculated for the amount of Rs. 286400 for the year 2017-18
4. Trade expenses include Rs. 10000 for audit fees and Rs. 2000 paid to the auditor for attending taxation matters of the company
5. Calls on arrear includes Rs. 4000 due from directors
6. Directors declared an interim dividend @2.5% and recommended dividend for the amount of Rs. 146260
7. Assume dividend tax rate is 17%
8. Provide for income tax of Rs. 70000 for the year 2017-18

Prepare the company's balance sheet as on 31.03.2017 and its statement of profit and loss for the year ended 31.03.2017.

OR

Following are the balances extracted:

Interest on debentures	60000	12 % mortgage debentures	500000
Rates and taxes	18000	Share capital	4000000
Stock of provision on 1.4.2019	250000	General reserve	500000
Purchases of provisions	2500000	Unclaimed dividends	15000
Salaries and wages	950000	Provision for bad debts	50000
PF contribution	30000	Trade creditors	250000
Misc expenses	50000	Expenses owing	80000
Bonus	24000	Visitirs credit balances	10000
Loss on foreign currency transaxtions	15000	Unclaimed dividends	750000
Land	1500000	Profit and loss a/c	81000
		Income from board and lodging	5100000
Buldings	5000000	Misc income	65000
Furniture and fittings	1500000	Accumulated depreciation :	
Linen , crockery glassware etc	320000	Buldings	2000000
Trade debtors	350000	Furniture	1000000
Prepaid expenses	25000	Linen crockery etc	180000
Advance agains t purchase of buildings	1500000		
Cash in hand	15000		
Balance at bank	474000		
	14581000		14581000

After taking the following information into account prepare the company's balance sheet as on 31.03.2020 and its statement of profit and loss for the year ended 31.03.2020.

1. Stock of provisions on 31.03.2020 Rs. 300000
2. Provide for depreciation Rs.100000 on furniture and Rs. 20000 Linen etc.
3. Make provision for taxation for Rs. 400000
4. The directors decided to recommend a dividend @ 10 % on paid up capital of company and transfer the remaining balance of P/L a/c to general reserve.
5. The entire paid up share capital of the company consist of fully paid equity shared of Rs. 10 each.

GR B

10X1

3. ITC limited forfeited 500 equity shares of rupees 10 each fully called up which were issued at a premium 20%. Amount payable on shares were: on application rupees 2; on allotment rupees 5; on first and final call rupees 5. Only application money was paid by the shareholders in respect of these shares. Pass journal entries for the forfeiture.

OR

Following are the items in balance sheet of M ltd as on 31.03.2020

	Rs.
60000 equity shares of Rs.10 each	600000
Capital redemption reserve	45000
Capital reserve (Realised in cash Rs. 37500)	112500
Security premium account	52500
General reserve	150000
Profit and Loss account	75000

The company decided to issue bonus shares at the rate of one share for every four shares held.

Pass necessary journal entries.