ATKT- Feb-09
9/02/09

TAMENGLONG

SY(A/F)-3
Fin A/C - II

TIME : 2 hrs. **MARKS : 60**

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

Q.1 Pallav Hotels Ltd. had on authorised capital of Rs.20,00,000 divided into 20,000 shares of Rs.100 each, out of which 15,000 shares were issued to the public for subscription. The terms of issue were that Rs. 20 per share was payable on application, Rs.20 per share on allotment, Rs.30 per share on first call and the balance of Rs.30 per share on second call. All the amounts were duly received except. 15

From Anna - Holding 30 shares, on which the allotment money, first and second call money were in arrears.
From Baba - Holding 20 shares on which the first and second calls were in arrears.
From Chacha - Holding 10 shares on which second call money was in arrears.

The Directors forefeited all the shares and re-issued the for feited shares of Mr. Anna to Mr. Damodar at Rs.90 per share.

Pass journal entries to record the above trans actions, assuming that Mr. Damodar had paid the whole amount due from him. 15

OR

Q.1 Victor, Vishwas and Vilas were in partnership. Sharing profits and losses as 3 : 2 : 1 respectively. The partnership was dissolved on 31st March 2008 following Victor's proceeding abroad.

The Balance Sheet of the firm on that date was as follows :-

Liabilities	Rs	Assets	Rs.
Capital Accounts		Cash in hand	28,000
Victor	1,40,000	Sundry Debtoors	2,94,000
Vishwas	70,000	Stock - in - trade	1,12,000
Vilas	14,000		
Sundry Creditors	2,10,000		
	4,34,000		4,34,000

There was a contingent liability in respect of a bill for Rs. 10,000 due on 25th August 2008 under discount. It was agreed that the net realisation should be distributed in their due order (at the end of each month) but as safely as possible. The realisatiion and expenses were as under :

Particulars	Stock and debtors	Expenses
April 2008	84,000	7,000
May 2008	1,26,000	5,400
June 2008	70,000	4,900
July 2008	77,000	3,500
August 2008	35,500	3,500

The Stock was completely disposed off and amount due from debtors were realised

Q.2 M/S Refrigeration Ltd. supplied Refrigerators to Ashok Hotel on the instalment system, on 1st July, 2004. The Cash price of them was Rs.22,350. Under Instalment System it was agreed to pay Rs.6,000 on that date and Rs.6,000 annually for three years. Interest was chargeable at 5% per annum and depreciation was to be written off the aset at 10% p.a. on written down value method. The company closes it's books on 30th June every year.
Show the relevant ledger accounts in the books of purchaser. 15

OR

Q.2 In Similar type of business, Rally and Yally are in partnership as Olive Co. and Vista and barista as Imperial comapny. It was mutually agreed that as on 1st January, 2008; the partnerships be amalgamated into one firm, Fineshine Co. The profit sharing ratios in the various firms were and are to be as yollows :

	Rally	Yally	Vista	Barista
Old firm	4	3	3	2
New firm	6	5	4	3

As on 31st December, 2007; the Balance Sheets of the firms were as follows :

Liabilities	Olive Rs.	Imperial Rs.		Olive Rs.	Imperial Rs.
Capital Accounts			Property	7,400	10,000
Rally	15,300	-	Fixtures	1,800	1,400
Yally	11,000	-	Vehicles	3,000	1,800
Vista	-	11,300	Stocks	8,300	6,600
Barista	-	7,400	Investments	800	-
Creditors	5,200	6,000	Dentors	6,800	5,800
Bank Overdraft	-	900	Bank Balance	3,400	-
	31,500	25,600		31,500	25,600

The agreement to amalyamate contains the following provisions :

a) Provision for doubtful debts at the rate of 5% be made in respect of debtors and a provision for discount receivable at the rate of $2\frac{1}{2}$ % be made in respect of creditors.

b) Fineshine Co. to take over the old partnership assets at the following values. :

	Olive Co Rs.	Imperial Co. Rs.
Stock	8,450	6,390
Vehecles	2,800	1,300
Fixtures	1,6 00	-
Property	10,000	-
Good will	6,300	4,500

c) The property and fixtures of Imperial co. not to be taken over by Fineshine Co. (These assets were sold for Rs.13,500 cash on 1st January 2008)

d) Yally to takeover his firm's ivestment at a value of Rs.760.

e) The Capital of Fineshine Co. to be Rs. 54,000 and to be contributed by the partners in Profit sharing ratios, any adjustments to be made in cash.

You are required to close the books of old firms and prepare the Balance Sheet of the new firm

Q.3 Atul and Biren were in partnership in a retail business sharing profits in the proportion of 3:2. As from 1st July 2007 they admitted Chetan into partnership giving him one-fifth of the profits. Chetan brought in Rs.20,000 in cash of which Rs.6,000 were considered as being payment for his share of goodwill and remainder as his capital. 15

The following trial balance was extracted from the books as on 31st December 2007.

Partculars	Dr.Rs	Cr. Rs.	Partculars	Dr.Rs	Cr. Rs.
Purchase and Sales	1,71,625	2,62,650	Bad debts	400	
Returns	5,250	4,125	Loan @ 5% to		
Reserve for			Dilip made on		
doubtful debts	-	5,200	1st Aug 2007	6,000	
Sundry Debtors			Prepaid Insurance	240	
and creditors	40,200	25,525	Outstanding		
Bills receivable			wages	-	1,200
and bills payable	20,070	11,950	Rent accrued		
Stock (1.1.2007)	39,725	-	but not paid		900
wages	17,175	-	Cash in hand	4,440	
Salaries	9,795				
Furniture	5,000				
Alterations to			Capital Accounts		
			(1st January 2007)		
Shop	15,500	-	Atul		15,000
Postage stationery			Biren		10,000
and insurance	3,240				
Trade Expenses	2,690		Cash paid by		
Rent, Rates			Chetan on 1st		
and Taxes	4,200		July 2007		20,000
			Current Accounts		
			Atul	5,000	
			Biren	4,000	
			Chetan	2,000	
				3,56,550	3,56,550

Your are required to perpare the firms Trading and profit & Loss you the year ending 31st December 2007 and Balance sheet as on that date.

1) Stock at the end was Rs./20,000.
2) Sundry debtors include on item of Rs.300 for goods supplied to B and an item of Rs.1,000 due from customer on account of sales, who has become insolvent.
3) Depreciation on furniture is to be charged a t 10% per annum
4) Reserve for doubtful debts is to be maintained at 5% ont the sundry debtors.
5) Goods to the value of Rs.800 have been destroyed by fire and the insurance co. has admitted the claim for Rs.600 only.
6) Bills receivable include a dishonoured bill of Rs.1,100.
7) One-fifth of the alterations to the shop are to be written off.
8) The Gross profits for the year are to be allocated in ratio of time betweent the period before the admission and the period after the admission.

OR

Q,3 Following is the Balance Sheet of A, B and C who shared profits and losses equally. 15

Balance Sheet.

at at 31st March 2008.				
Capital Accounts :		Building		42,000
A 50,000		Plant & Machinery		23,000
B 20,000		Debtor 40,000		
C 5,000	75,000	hens : Provision		
Cretidors	50,000	for doubtful		
Bills payable	15,000	debts 2,000		38,000
Outstanding expenses	5,000	Investments		8,000
Loan from K.	10,000	Stock		35,000
Loan from B	15,000	Bills Receivable		17,500
		Bank Balance		500
		Profit and Loss A/c		6,000
	1,70,000			1,70,000

The firms was dissolved on the above date and the assets realised as under:

Building Rs.48,000; Plant and Machinery Rs.18,500; Stock Rs.31,000; Debtors were allowed a discount of 10% and the balance amount was recovered. C took over the investments at Rs.4,500 and and A took over the bills receivable at 20% discount. B tookover the bills payable at Rs.13,000 and other liabilities were discharged at par, except creditors who allowed a discount of 5% Dissolution expenses amounting to Rs.8,000 were paid by A.

Prepare the necessary accounts ot close the books of the firm.

Q.4 **Write short notes (Any 3)** 15

a) Maximum loss method.
b) Lease accounting.
c) Discount on issue of debentures.
d) Issue of bonus shares.
e) Hire purchase system.

OR

Q.4 a) A Ltd has resolved to utilise Rs.3,00,000 out of the general reserve balance to declare a bonus to the shareholders by paying the final call of Rs.3 per share on 1,00,000 shares of Rs.10 each. Along with this the company further decided to utilise the balance of the securities premium Account to issue fully paid-up bonus shares in the raio of one equity share for every five equity shares held.

Show journal entries in the books of A Ltd.

b) ABC Ltd issued at par, Rs.60 lacs 15% Debentures of Rs.1,000 each payable 20% on application, 20% on allotment, 30% on first call and the balance on final call. All the monies were duly received. pass journal entries to reflect the above transactions.