

## Integ. LL.B. Sem-3 Examination

## IL B.Com 201

## Adv. Accounting-I

Time : 2-00 Hours]

August 2021

[Max. Marks : 60

❖ From the following 06 questions attempt any 03:

Q1. The Balance Sheet of the Poonam and Co. Ltd. As on 31-3-2018 is as follows:

Liabilities	Rs.	Assets	Rs.
Share Capital of Rs. 10 each	55,00,000	Land & Building	76,00,000
Profit & Loss Account	3,00,000	Investments	10,20,000
General Reserve	4,50,000	Stock	13,87,000
Securities premium	2,40,000	Debtors	9,60,000
12% Debentures	30,50,000	Cash & Bank	5,98,000
Term Loan	15,25,000		
Current Liabilities	5,00,000		
	1,15,65,000		1,15,65,000

The shareholders adopted the resolution on the date of the above mentioned balance sheet to:

1. Buy-Back 10% of the paid-up share capital at Rs. 12 each.
2. Issue 11% debentures of Rs. 4,00,000 at a premium of 8% to finance the Buy-Back of shares.
3. Maintain a balance of Rs. 2,00,000 in General Reserve Account, and
4. Sale investments worth Rs. 5,00,000 for Rs. 7,50,000. You are required to:

Give journal entries for the above transactions and prepare the balance sheet after the Buy-back.

Q2. Balance sheet as on 31<sup>st</sup> march, 2012 of Guddu Ltd. and Bablu Ltd. were as under:

## Balance sheet of Guddu Ltd.

Liabilities	Rs.	Assets	Rs.
21,600 equity shares of Rs. 100 each	21,60,000	Fixed Assets	9,00,000
Workmen's compensation fund	90,000	Machinery	6,00,000
General reserve	60,000	Trade Mark	60,000
Profit and loss A/c	1,20,000	Stock	5,40,000
Creditors	2,70,000	Debtors	5,10,000
	27,00,000	Bank	90,000
			27,00,000

## Balance sheet of Bablu Ltd.

Liabilities	Rs.	Assets	Rs.
4,500 equity shares of Rs. 100 each	4,50,000	Goodwill	30,000
Profit and loss A/c	1,23,000	Land-Building	1,20,000
15% Debentures	1,20,000	Machinery	1,20,000
Creditors	30,000	Bills Receivable	1,98,000
		Stock	2,10,000
		Bank	45,000
	7,23,000		7,23,000

Directors of both the companies decided that:

(P.T.O)

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- 1) Both the companies should be wound up and new company Golu Ltd. be formed with the authorised share capital of Rs. 36,00,000 divided into 36,000 equity shares of Rs. 100 each.
- 2) Guddu to be paid Rs. 3945000 as purchase consideration . 25200 equity shares at Rs. 140 per share and balance in cash.
- 3) The new company to take over all over assets and liabilities of both the companies at their book vaue.
- 4) Bablu Ltd. will get 6 shares of the new company in exchange of its 5 shares at Rs. 100 per share.
- 5) The debenture holders were to be allotted such number of debentures in the new company bearing 16% interest per annum, so that they can earn same amount of interest.
- 6) Golu Ltd. issued remaining equity shares at Rs. 140 per share, which were fully paid up.
- 7) Pass journal entries in the books of Golu Ltd. and prepare balance sheet after amalgamation.

Q3. The following balances were recorded in the books of Marwadi Silk Mills Co. Ltd. on 31<sup>st</sup> March, 2011:

Debit balances	Amount Rs.	Credit Balance	Amount Rs.
Calls- in – Arrears (Equity shares)	10000	7.5% pref. Share capital	100000
Opening stock	33300	Equity share capital	200000
Purchases	106500	Share forfeiture A/c	4500
Land building	170000	Securities premium	16500
Plant and machinery	115000	Capital reserve	55000
Preliminary expenses	6000	General reserve	90000
Furniture	32000	Provident fund	13000
Investments	165700	5% debentures (mortgage)	50000
Loose tools	12000	Sales	260000
Debtors	66000	Creditors	33000
Productive wages	35200	P & L Account	5500
Deb. Red. Fund Investments	20000	Bank loan	25400
Salaries	57000	Public deposit	14600
Rent, rates and taxes	20000	income from investment	9500
Director's fees	3500	Debenture redemption fund	20000
Postage and telegram	6500	Reserve for bad debts	3000
Provident fund contribution	2500		
Cash and bank balance	10800		
Income tax	28000		
	900000		900000

You are required to prepare profit and loss account for the year ended on 31<sup>st</sup> march,2011 and the balance sheet (vertical) on that date after taking into account the following additional informations:

- 1) The stock on 31/3/2011 was Rs. 95,400.
- 2) Provide 5% reserve for bad debts on debtors.
- 3) Prepaid rent amounted t Rs. 2,000.
- 4) Provide depreciation on plant and machinery at 2%, furniture 5% and land and building at 4%.
- 5) Outstanding expenses: productive wages Rs 2,500; salaries Rs 3,000 and rates and taxes Rs. 1,500.
- 6) Transfer Rs. 25,000 to general reserve.

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- 7) The director of the company recommended 7.5% dividend on pref. Share capital and 10% on equity share capital.
- 8) The authorised capital of the company amount to Rs. 5,00,000.

Q4. What are bonus shares? explain the purpose of issuing such shares.

Q5. Explain SEBI guidelines for issue of shares for public in details.

Q6. Distinguish between amalgamation in nature of purchase and in nature of merger.

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