Investment A/c

Date	Particulars	F.V	Int	Cost	Date	Particulars	F.V	Int	Cost
1-6-17	To Bank	40,000	~~2400~~ 2000	38400	30-6-17	By Bank	–	2400	–
					1-9-17	By Bank	20,000	400	21600
1 ~~[illegible]~~	~~To Bank~~	~~20000~~	~~400~~	~~21600~~				1700	–
					31-12	By Bank [1200 + 500]	–		
1-12-17	To Bank	50000		47000	31-12-17	By Bank	30000	–	33000
						By P&L	–	–	77
						By Bal c/d	40000		30723
	To Bal c/d		2500						
		90000	4500	85400			90000	4500	85400

Q3 Redn of Pref shares

④

Gen Res. 18,00,000

Cap Res. 1,70,0000

Redn = 12000 × 100 = 1200000 } $\boxed{13,20,000}$
Prem. = 120000

		Dr	Cr
1)	Bank A/c —— Dr To 7.5% Pref sh. [6000×100] To Premium (6000×25)	750000	600000 150000
2)	Redn on Pref sh cap A/c —— Dr Prem on Redn A/c —— Dr To Pref sh. cap.	1200000 120000	13,20,000
3)	Sec. Prem. ~~Gen Res.~~ To Prem on Redn	120000 ~~12,00,000~~	120000
4)	Gen Res A/c —— Dr To C.R.R.	1300000	13,00,000
5)	Pref sh. holders A/c —— Dr To Bank	13,00,000	13,00,000
		1567000	15,70,000

Q4) (5)

Balance sheet (opening)

Liabilities	Amt	Asset	Amt
outstanding liabilities.		Furniture	30,000
Salaries 2000		Library Book	50,000
Rent 600	2600	Invt.	400000
		Cash in hand	500
		Cash at Bank	5650
Capital Fund	484550	Subscription In arrears.	1000
	487550		~~487550~~ 487150

Income and exp A/c

Expenditure		Income	
Salaries	~~24400~~ 25000	By subscription 45500	
Rent	~~7600~~ 7200	(-) 15-16 (1000)	
postage	300	17-18 (1500)	43000
Sundry exp	~~3000~~ 2550	By Int on Invt	20000
Electricity charges	3000	Bank Int	250
meeting exp	1500	Sale of Furniture	3000
Excess/surplus	27000		
	66250		66250

(Q4)

Balance sheet (opening)

Liabilites	Amt	Asset	Amt
outstanding liabilites.		Furniture	30,000
Salaries 2000		Library Book	50,000
Rent 600	2600	Inut.	400000
		Cash in hand	500
		Cash at Bank	5650
Capital Fund	484550	Subscription In arrears.	1000
	~~487550~~		~~487550~~ 487150

Income and exp A/c

Expenditure		Income	
Salaries	~~24700~~ 25000	By subscription 45500	
Rent	~~7600~~ 7200	(−) 15-16 (1000)	
postage	300	17-18 (1500)	43000
Sundry exp	~~3000~~ 2550	By Int on Inut	20000
Electricity charges	3000	Bank Int	250
meeting exp	1500	Sale of Furniture	3000
Excess/surplus	27000		
	66250		66250

Balance-sheet (closing)

6

Liabilites	Amt	Asset	Amt
Subscription In advance	1500	Furniture C	30,000
Ols salaries.	2500	Liabrary Book (50000+10000)	60000
Rent	800	Investment (10000+400000)	410000
Capital Fund 484550		Cash at Bank	14800
(+) Surplus 27000		Cash in Hand	1550
	516350		516350

(Q4) Issue of Debn P.

1)	Bank A/c ——— Dr	28,50,000		
	Disct on Issue Dr	150000		
	To 12% Debn.		3000000	
2)	Bank A/c ——— Dr	5700000		
	Disct on Issue — Dr	300000		
	loss on Issue — Dr	300000		
	To 12% Deb.		60,00,000	
	To Prem on Redn		~~6000000~~ ~~60,00,000~~	300000
3)	mach A/c ——— Dr	28,00,000		
	~~Disct on Issue Dr~~			
	To 10% Debn		2500000	
	To Profit on Issue		300000	
~~4)~~				
5)	Bank A/c ——— Dr	100000		
	To 5% Debn		1,00,000	

Q1) a)

1) Security Premium

2) Fixed Int Prior to shareholders

3) Reporting currency

4) A liability

5) 13

6) Income & exp A/c

7) at Premium

8) Long term

9) Issue of fully paid shares

10) Initial public offer

b)

True - 1, 2, 5, 6, 8, 10

False - 3, 4, 7, 9

Q2) Issue of shares (2)

1) Bank A/c — Dr To Sh. Appln. (5000×3)	15000	15000
2) Share Appln — Dr To Bank (500×3)	1500	1500
3) Share Appn — Dr To Sh. Allotment (500×3)	1500	1500
4) Sh. Allotment A/c — Dr To Sh. cap. (4000×2)	8000	8000
5) Bank A/c — Dr To Sh. Allotment.	8000	8000
6) 1st call A/c — Dr To Sh cap (4000×3)	12000	12000
7) Bank Dr To 1st call	12000	12000
8) Final call A/c — Dr To Sh. cap.	8000	8000
9) Bank — Dr To Final call A/c	8000	~~8000~~ 8000

(02) In Book of Mary Ltd.

1/1/17	Purchase A/c — Dr	1725000	
	To Mary Ltd		1725000
	[25000 x 69]		
10/2/17	Mary Ltd A/c — Dr (10000x69)	690000	
	F.E.F ~~To~~ A/c — Dr (10000 x 0.50)	5000	
	To Bank (10000 x 69.50)		695000
15/3/17	Mary Ltd A/c — Dr [7500x 69]	517500	
	To Bank A/c — Dr [7500x 67.60]		507000
	To F.E.F. A/c [7500x 1.4]		10500
31/3/17	Mary Ltd A/c — Dr (7500x4)	30000	30000
	To F.EF A/c [7500x4)		
31/3/17	F EF A/c — Dr	35500	35500
	To P$L		
20/4/17.	Mary Ltd A/c [7500x 69]	517500	500625
	To Bank A/c (7500x 66.75)		16875
	To FEF A/c [7500x2.25)		

Q1) a)

1) Security Premium

2) Fixed Int Prior to shareholders

3) Reporting currency

4) A liability

5) 13

6) Income & exp A/c

7) at Premium

8) Long term

9) Issue of fully paid shares

10) Initial public offer

b)

True - 1, 2, 5, 6, 8, 10

False - 3, 4, 7, 9