

Ques :- 15.

Soln :-

Dr.

Particulars

Amount (in ₹)

Particulars

Amount (in ₹)

To Sundry Assets :-

Debtors 42,000

Stocks 12,000

Investments 18,000

Plant & Machinery 41,000

To Cash A/c 59,400

(Creditors)

To A's Capital A/c 2,000

(Realisation expenses)

By Sundry Liabilities :-

Creditors 60,000

Investment Profit Fund 2,000

Provision for Doubtful Debt 6,000

By Cash 35,000

Debtors

Plant & Machinery

& Investments 60,000

By A's Capital A/c (Stocks) 8,000

By B's Capital A/c (Old Computer) 1,200

By losses transfer :-

A 1,100

B 1,100

1,74,400

1,74,400

De. Partner's Capital A/c Cr.

Particulars	A	B	Particulars	A	B
To Realization A/c (Assets taken)	8,000	1,200	By balance b/d	30,000	10,000
To Realization A/c (Losses)	1,100	1,100	By General Reserve	7,500	7,500
To Cash A/c	30,400	15,200	By Realization A/c	2,000	
	<u>39,500</u>	<u>17,500</u>		<u>39,500</u>	<u>17,500</u>

De. Cash A/c Cr.

Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To balance b/d	25,000	By A's Loan A/c	15,000
To Realization A/c (Assets Realized)	95,000	By Realization A/c (Liabilities discharge)	59,400
		By Capital A/c	30,400
		A	<u>15,200</u>
		B	<u>45,600</u>
	<u>1,20,000</u>		<u>1,20,000</u>

QUES - 16. Rights Issue

Trend → 1,00,000 Equity Shares @ ₹10 + 3^P

$$\frac{\text{App.}}{2} + \frac{\text{Alt.}}{5(2+3)} + \frac{\text{F&F call}}{5}$$

Public → 1,50,000 Shares

No. of Shares	Applied	Allocated	Amount Received	App. (2)	Alt. (5)	F&F (6)	Rejection
1,50,000	1,00,000	3,00,000	2,00,000	1,00,000	—	—	—

Case of A.

Applied : Allocated

150 : 100,

3 : 2

300 : 200

Amount to be received on Allotment (2000 x 5) ₹ 1,00,000
 less Amt. already received. $\left(\frac{1,00,000}{1,00,000} \times 200 \right)$ 200

Amt. not received on Allotment.

First & Final call (200 x 6)

₹ 800
 ₹ 1,200

Soln: In the books of XYZ Ltd

JOURNAL.

Date	Particulars.	Amount (in ₹) Dr.	Amount Cr. (in ₹)
	Bank A/c _____ To Share application A/c. (Being application amt. on 1,50,000 shares @ ₹ 2.) for share received.	3,00,000	3,00,000
	Share application A/c _____ To Equity share capital A/c To Share allotment A/c. (Being application amt. on 1,00,000 share accepted & renewed stamp to allotment.)	3,00,000	2,00,000 1,00,000
	Share allotment A/c _____ To Share Capital A/c To Securities Premium A/c. (Being allotment amt. on 1,00,000 share @ ₹ 5) for share made due	5,00,000	2,00,000 3,00,000
	Bank A/c _____ To Share allotment A/c. (₹ 5,00,000 - ₹ 1,00,000 - ₹ 800) (Being allotment amt. on 99,800 shares received.)	3,99,200	3,99,200

Date

Particulars

Dr.

Cr. Amount in ₹

Bank A/c

Dr.

1,530

Share forfeited A/c

Dr.

170

To Share Capital A/c

Cr.

1,700

(Being 170 shares received at ₹9 per share fully paid up.)

Share forfeited A/c

Dr.

340

To Capital Reserve A/c

Cr.

340

(Being excess forfeited amt. transfr to Capital Reserve.)

$$\frac{800}{200} \times 170 = ₹ 510$$

$$(-) ₹ 170$$

$$\underline{₹ 340}$$

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Balance sheet of Reconstituted firm
as at 1st April. - - -

Liabilities	Amount (in ₹)	Assets	Amount (in ₹)
Capitals:		Stocks	15,000
A	20,580	Building	24,750
C	<u>13,720</u>	Machinery	17,325
Lo Current.		Motor Van	3,400
Bs Loan		Debtors	8,000
Creditors		Provision for Doubtful Debt	<u>1,225</u>
Bills Payable		Bank	1,250
		As Current A/c.	6,280
	<u>74,780</u>		<u>74,780</u>

Working Notes :-

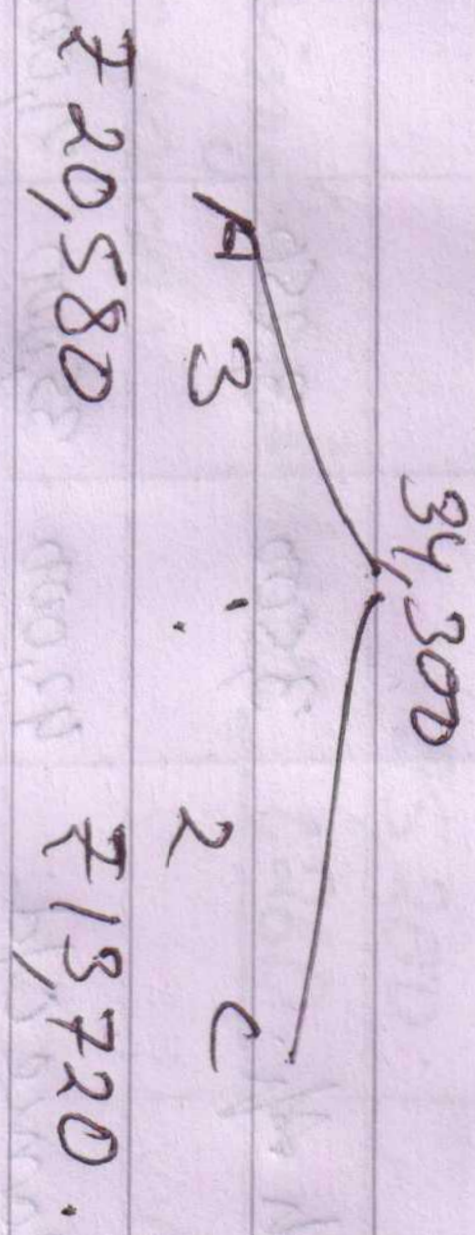
A : B : C
2 : 2 : 1 A : C
3 : 2

A's gain = $\frac{3}{5} - \frac{2}{5} = \frac{1}{5}$

C's gain = $\frac{2}{5} - \frac{1}{5} = \frac{1}{5}$

GR A : B
1 : 1

Capital bal. of A 14,300
C 20,000
34,300



Dr.

Particulars	Amount (in ₹)
To Balance b/d	1,800
To Mr's Capital A/c	14,000
To Premium A/c	8,400
To Mr's Capital A/c	1,250
	<u>25,450</u>

Cash A/c

Particulars	Amount (in ₹)
By Mr's Capital A/c	3,500
By Mr's Capital A/c	3,250
By Balance c/d	18,700
	<u>25,450</u>

Cr.

Balance Sheet of Newly Reconstituted firm as at - - - - -

Liabilities	Amount (in ₹)	Assets	Amount (in ₹)
Creditors	18,000	Assets	
Bills payable	6,000	Buildings	63,000
Capital		Furniture & Fixtures	6,160
W)	42,000	Stocks	25,200
I	35,000	Debtors	25,200
N	21,000	Provision for Doubtful Debt	1,260
M	<u>14,000</u>	Cash in hand	18,700
	1,12,000		23,940
			<u>18,700</u>

1,36,000

1,36,000

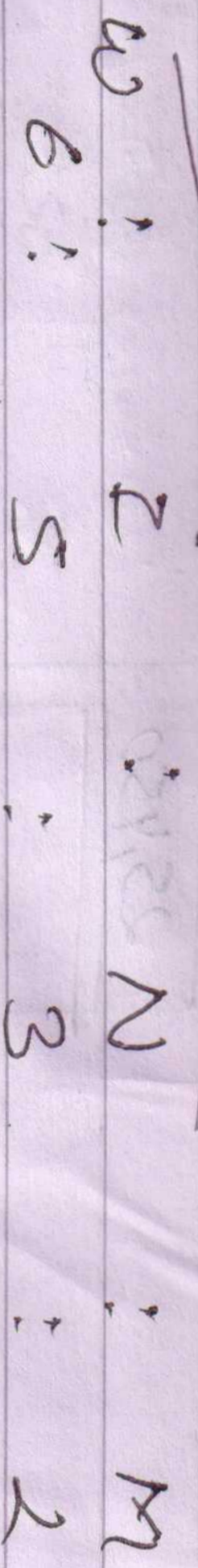
Working:- W:I:N M → 1/8

W:I:N:M

6:5:3:2

T. Capital = 14,000 × 8

W's share = ₹ 1,13,000



₹ 1,13,000

₹ 1,38,000

₹ 1,38,000

Ques:- 18.

Ans:-

As the company is engaged in providing loans and investing into share. Any income arising from these activities should be shown as OPERATING ACTIVITIES.

Ques:- 19.

Ans:- Dividend Paid by financial company is FINANCING ACTIVITIES.

Ques:- 20. (A).

Ans:-

Items	Main Heads	Major Headings	Sub-head	Sub-Sub-Head
i) Premium on Red. of Debentures.	Equity & Liabilities.	Non Current Liabilities	Long term borrowings.	
ii) Loose tools	Assets	Current Assets	Inventory	
iii) Bank balance.	Assets	Current Assets	Cash & cash equivalent	
iv) Capital Reserve	Equity & Liabilities.	Shareholder's fund	Reserves & surplus.	
v) Call-in-advance	Equity & Liabilities.	Current Liabilities	Other Current liabilities.	
vi) Unclaimed dividend	Equity & Liabilities.	Current Liabilities.	Other Current liabilities.	

Ques :- 20 (B)

Ans :-

Lenders are interested in the long term solvency of the firm on its ability to repay debts and interest on borrowings.

Ques :- 21.

Soln :-

Items / Particulars	31st March 2014 (in ₹)	31st March 2015 (in ₹)
Revenue from operation: (A)	5,00,000	6,25,000
<u>Less</u> Cost of Revenue from operation: Purchase of st. in trade Change in Inventories	3,60,000 15,000	4,35,000 (10,000)
GROSS PROFIT (A-B)	₹ 1,25,000	₹ 2,00,000

Gross Profit Ratio

$$= \frac{\text{Gross Profit}}{\text{Revenue from operation}} \times 100$$

25%

32%

VALUES Reflected by Company :-

- i) Social Responsibility
- ii) Sensitivity towards people hit by natural calamity.

Ans:- 21.5 =

i) Debt Equity Ratio

$$= \frac{\text{Debt}}{\text{Equity}} = \frac{20,000}{70,000}$$

$$= 0.28:1 \text{ or } 2:7.$$

Debt = 9% Adventure ₹ 20,000

Equity =

Eq. Sh. Capital ₹ 50,000
General Reserve ₹ 5,000
St. of P&L ₹ 15,000
₹ 70,000

ii) Working Capital turnover Ratio

$$= \frac{\text{Revenue from operation}}{\text{Working Capital}} = \frac{₹ 1,50,000}{₹ 5,000}$$

$$= 30 \text{ times.}$$

Working Capital = Current Assets -

Debtors ₹ 14,500

Cash ₹ 5,500 ₹ 20,000

= ₹ 25,000

Current Liabilities. Creditors ₹ 15,000

₹ 5,000

Revenue from operation ₹ 1,50,000.

Ques :- 23.

Soln :-

Cash Flow Statement
for the year ended 31st March, 2015.

Particulars.

Amount
(in ₹)

CASH FLOW FROM OPERATING ACTIVITIES.

Net profit before tax & Extraordinary items
(3,50,000 - 4,00,000)

(50,000)

Add Depreciation on tangible fixed Assets
Interest on long term borrowings.

1,20,000

36,000

1,56,000

Add Operating profit before changes in working capital

1,06,000

Add Decrease in Current Assets & Increase in Current Liab.

Trade payables.

10,000

10,000

Less Increase in Current Assets & Decrease in Current liabilities.

Inventories

1,00,000

Trade Receivables

80,000

(1,80,000)

(1,70,000)

Net Cash Used in Operating Activities.

(A)

(64,000)

Particulars.

Amount
(in ₹)

CASH FLOW FROM INVESTING ACTIVITIES:

Purchases of Tangible Assets. (WN-1)

(4,20,000)

(4,20,000)

Net cash used in Investing Activities.

(B)

(4,20,000)

CASH FLOW FROM FINANCING ACTIVITIES.

Proceeds of Issue of Share Capital

4,00,000

Proceeds of long term Borrowings.

90,000

Interest paid on long term Borrowings.

(36,000)

4,54,000

Net cash from financing activities.

(C)

4,54,000

Net decrease in cash & cash equivalent (A+B+C)

(30,000)

Opening balance of cash & cash equivalent.

3,70,000

Closing balance of cash & cash equivalent.

3,40,000

Working Notes :- (WN.)

WN-I

Tangible Fixed Assets A/c

To Balance b/d

9,00,000

By Depreciation

₹ 1,20,000

To Cash A/c

4,20,000

By Balance c/d

₹ 13,00,000

13,20,000

13,20,000