

**SARDAR PATEL UNIVERSITY**  
**B.Com. (II Semester) Examination**  
**Monday, 26<sup>th</sup> March 2018**  
**10.00 am - 12.00 pm**

**UB02ECOM01 : Adv. A/c. & Auditing - III (Corporate Accounting)**

**Total Marks: 60**

**Ques 1** The Balance Sheet of Samir Ltd. on 31-3-2018

(15)

Liabilities	Rs	Assets	Rs
12,000 Equity share of Rs 100 each fully paid up	12,00,000	Land & Building	25,00,000
11% Redeemable Preference share of Rs 10 each, Rs 8 per share paid up	4,80,000	Furnitures	9,20,000
12% Redeemable Preference share of Rs 10 each fully paid up	3,60,000	Investments	2,40,000
General Reserve	18,00,000	Bank balance	6,00,000
P & L A/C	60,000		
Securities Premium	78,000		
Other Liabilities	2,82,000		
	42,60,000		42,60,000

On this date, the company decided to redeem both the classes of preference shares at 10 % premium after complying with necessary provisions of Companies Act. Investments were sold at Rs.1, 80,000. Bank balance to be maintain in the business is Rs 42,000. For the purpose 13 % Cumulative Pref. Shares of Rs 100 each were issued at a premium of 10% adequate number.

The company then decided to utilize the resultant reserve created out of the redemption of preference shares for issuing fully paid Bonus shares to equity shareholders.  
 Pass necessary journal entries and prepare new Balance Sheet.

**OR**

- (A) Explain Provisions of Redemption of Redeemable Preference Share. (10)  
 (B) Explain Sources of Bonus shares. (05)

**Ques 2 (A)** Balances of Ayan Ltd. as on 31-3-2018

(10)

8 % Mortgage Debentures Rs 2,00,000

Debenture Sinking Fund Rs 2,20,000

Investments of Debenture Sinking Fund

9% Gujarat Government Loan (Face Value Rs.1,20,000) Rs 1,15,000

10% Central Government Loan (Face Value Rs 1,00,000) Rs 1,05,000 2,20,000

On the 1-4-2018, 9% Gujarat Government Loan were sold at 10 % premium and 10% Central Government Loan at 2% Discount. On the same day debentures was redeemed at 10% premium. Prepare Debenture Sinking Fund A/c and Debenture Sinking Fund Investments A/c in the books of company.

(B) I V Ltd. issued 12% , 5000 Debentures each of Rs 100 at par on 1-4-2018. Redeemable at a premium of 10 % after 10 years.

(05)

Give journal entries for issue and redemption of debentures.