

Q.4 The following balances were recorded in the books of Raz Ltd on 31.12.15

(15)

Debit Balance	Rs.	Credit Balance	Rs.
Calls in Arrears	10000	7.5% pref share capital	100000
Opening Stock	33300	Equity share capital	200000
Purchases	106500	Share Forfeiture	4500
Land building	170000	Share Premium	16500
Plant and Machinery	115000	Capital reserve	55000
Preliminary Exp	6000	P.F.	13000
Furniture	32000	General Reserve	90000
Investments	165700	5% Debenture	50000
Loose tools	12000	Sales	260000
Debtors	66000	Creditors	33000
Wages	35200	Profit Loss A/c	5500
Debenture redemption		Bank Loan	25400
Fund Investment	20000	Public deposits	14600
Salaries	57000	Income from Investment	9500
Rant rates taxes	20000	Debenture redemption Fund	20000
Directors fees	3500	Reserve for Bad debts	3000
Postages	6500		
Provided Fund Contribution	2500		
Cash balance	10800		
Income Tax	28000		
	900000		900000

You are required to prepare final Accounts for the year ended on 31.12.15 As per company Act 1956.

- (1) Closing stock Rs. 95400.
- (2) Provide 5% reserve for bad debts on Debtors.
- (3) Prepaid rent amounted to Rs. 2000
- (4) Priveded depreciation on plant and machinery at 2%, On furniture at 5%, and on Land building at 4%
- (5) Outstanding Exp:

Wages	2500
Salaries	3000
Taxes	1500
- (6) Transfer Rs. 2500 to general reserve.
- (7) The directors of the company recommended 7.5% dividend on Preference share and 10% on Equity share capital.