

Smt.S.I.Patel Ipcowala College of Commerce, Petlad
Advanced Accounting – III (UB02DCOM21)

F.Y.B.Com. Sem-2

Feb, 2019

Time : 8.00 To 9.00

Date : 21/02/2019

Mark : 30

- Q.1** The preference shares are redeemable at a premium of 10% on 1 April, 2012. The Mhindra Ltd. company's balance sheet as on 31 March, 2012 was as follows.

Liabilities	Rs.	Assets	Rs.
1,80,000 Equity shares of Rs.10 each (FP)	18,00,000	Fixed assets	26,00,000
9% Red.Pref.Shares Rs.100 each	5,20,000	Investment	1,48,000
Profit & Loss A/c	3,20,000	Bank	2,52,000
Creditors	3,60,000		
	30,00,000		30,00,000

For redemption of preference shares, the Company decided :

- (1) To sell all investments at Rs. 1,20,000.
- (2) To finance part of the company from company funds, subject to leaving a balance of Rs. 92,000 in the profit & loss account.
- (3) To issue sufficient equity shares of Rs. 10 each at a premium of 20% per share to raise the balance of funds required.

The preference shares were redeemed on due date and the issue of equity shares was fully subscribed. Pass necessary journal entries to record above transactions and prepare the balance sheet of the company soon after the redemption of preference shares.

OR

- Q.1** (A) From the following information of a company, calculate the number of new share of Rs.10 each to be issued for redemption of redeemable preference share and pass necessary journal entries.

1. 10% Red Prf. Share Capital Rs. 9,00,000
2. Redemption Premium 10%
3. Balance shown in the Balance Sheet
 - i.) P & L A/c. (Credit) Rs. 1,50,000
 - ii) Share Premium Rs. 30,000

The company wants to issue new equity shares at Par

- (B) Discuss different types of preference shares.

- Q.2** The following are the balance sheet of Adarsh Ltd.

Liabilities	2016-17	2017-18	Assets	2016-17	2017-18
Equity Share Rs.100 each	3,00,000	4,00,000	Fixed Assets	4,50,000	5,55,000
10% Pref. Share of Rs.100 each	50,000	50,000	Stock	75,000	90,000
10% Debenture	1,00,000	1,25,000	Debtors	60,000	65,000
General Reserve	40,000	30,000	Bills receivable	2,500	7,500
Profit & Loss A/c.	20,000	25,000	Prepaid Expenses	5,000	2,500
Bank Overdraft	15,000	30,000	Cash	7,500	5,000
Creditors	52,500	35,000	Preliminary Exp.	10,000	5,000
Bills Payable	15,000	20,000			
Workers Prof. Sharing Fund	10,000	5,000			
Unpaid Expenses	7,500	10,000			
	6,10,000	7,30,000		6,10,000	7,30,000

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