

Afterwards on the same date one bonus share for two equity shares held to be given and bonus was declared for converting partly paid up equity shares into fully paid shares.
Write Journal entries and prepare balance sheet.

OR

Q.2

(15)

- (A) Provisions of Companies Act for redemption of Redeemable preference share.
(B) Guiding principles for issue of Bonus Shares.

Q.3 The following balances appeared in the books of "SHYAM" Ltd as on 31-12-15. (15)

(1) 15% Debentures	100000
(2) Discount on Debentures	20000
(3) Interest received on Sinking Fund Investment	90000
(4) Sinking Fund	985000
(5) Bank Balance	200000
(6) Sinking Fund Investment	
(A) 7% National Defence Bond of Rs. 325000 -	315000
(B) 8% N.S.C. of Rs. 220000 -	230000
(C) 9% Narmada Bonds of Rs. 275000 -	285000
(D) 10% Units of Unit Trust of Rs. 120000 -	155000
	Rs. 985000

On the same day National Defence Bond were sold at Rs. 90, N.S.C. were sold at Rs. 105, Narmada Bonds were sold at Rs. 80 and Investment in Unit Trust at Rs. 130.

On 1-1-16 debentures of Rs. 800000 were redeemed at 5% premium and Gujarat Govt. Loan of Rs. 80000 was purchased at Rs. 105. The company transfers Rs. 30000 every year to Debenture Redemption Fund. From Profit pass necessary Journal Entries and prepare Accounts.

OR

Q.3 The books of "RAM" Ltd showed the following balances on 31-12-15. (15)

15% Debentures	1000000
Debenture redemption fund	1082000
Debenture redemption fund Investment:	
1) 10% Central Govt Loan purchased at Face value -	528000
2) 9% National Defence Bonds (Face value at 560000)	542000
	1070000

On 31-3-16, 10% Central Govt. Loan and National Defence Bonds were sold at Rs. 110 and Rs. 98 respectively and on the same date debentures were redeemed at Rs. 107.50 including unpaid interest.

Debentures interest was paid up to 31-12-15. Write necessary Journal Entries in the books of RAM Ltd. and prepare necessary Accounts.

Q.4 Explain: Depreciation Accounting AS-6. (15)

OR

Q.4 Explain : Valuation of Inventors (Stock) AS-2. (15)