

	<u>Rs.</u>		<u>Rs.</u>
Rent	9000	Advertisement	18000
Salaries	15000	Printing and Stationery	3600
Director's Fees	4800	Commission on sales	6000
Interest on debentures	5000	Bad debts	1500
Audit Fees	1500	(Which includes Rs. 1000	
Discount on sales	3600	relating to period after	
Depreciation	36600	incorporation)	
General Expenses	4800	Interest to vendors	3000
		(Up to 1 st May 2016)	

OR

- Q.2 Vrunda Ltd. was incorporated on 1st May 2016 to take over the running business of Shah Bros with effect from 1st January 2016. The certificate of commencement of Business was issued on 1st June 2016. Vrunda Ltd. has prepared its final accounts ending on 31st October 2016. From the following information, prepare a statement showing pre incorporation and post incorporation profit and show how you would utilise the pre incorporation profit? (15)

	<u>Rs.</u>		<u>Rs.</u>
Salaries	15500	Interest paid to Vendors	1800
Advertisement exps	2400	(up to 30-6- for 6 months)	
General Exps	3000	Depreciation	3500
Preliminary Exps	2750	Debenture interest	2340
Rent Received	4500	Rent up to June-2016	2400
Share transfer fees Received	60	(half yearly)	
Commission on sales at 1%	3000	Rent after 30 th June-2016	6000
		(Yearly)	
		Sales for first four months	75000
		Gross profit amounted to	120000

- Q.3 The Balance sheet of Nirasha Ltd as on 31st March 2017 reveled the following position. (15)

Liabilities	Rs.	Assets	Rs.
Share capital 50000, 6% cum. Pref.		Goodwill	90000
Shares of Rs. 10 each fully paid	500000	Land and Building	400000
10000 Equity Shares of Rs. 10 each		Plant and Machinery	400000
fully paid	1000000	Patents	200000
Debentures	200000	Furniture	40000
Debenture interest outstanding	20000	Stock	250000
Creditors	100000	Debtors	100000
Contingent Liability	--	Bank Balance	27000
Cum Pref. Dividend in arrears 220000		Preliminary expenses	13000
		Profit and Loss A/c	300000
	1820000		1820000

The company proved unsuccessful and a scheme for the reduction of capital was a dopted by the share holders and was approved by the court. The scheme provided for following.