

SMT. S.I.PATEL IPCOWALA COLLEGE OF COMMERCE PETLAD
INTERNAL TEST 2018
B.COM SEM- III
SUB: Ad.Acc.& Auditing -5
DATE: 27-09-2018 TIME: 9.45to 10.45 TOTAL MARKS -30

Que-1. The balance sheet of Vishakha Ltd. as on 31-3-2018 is as follows

Liabilities	Rs.	Assets	RS
10% Preference shares of Rs. 100 each	150000	Goodwill	82000
Equity shares of Rs.10 each	500000	Land-building	300000
12% debentures	160000	Machinery	145000
Outstanding interest on debentures	19200	Investments	35000
Director's loan	30000	Stock	145000
Creditors	144800	Debtors	40000
<u>*contingent liability</u>		Bank balance	147000
Claim against company for Rs.46000		Preliminary expenses	24000
		Profit and Loss Account	86000
	1004000		1004000

The following scheme of reconstruction was approved:

- [1] Preference shares to be reduced up to Rs.90 per share.
- [2] Equity shares to be reduced by Rs.3 per share.
- [3] The debenture holders agreed to forget their outstanding interest.
- [4] Debenture holders agreed to accept a piece of land worth Rs.80000 at Rs.100000 as a part payment.
- [5] The remaining land buildings were valued at Rs.250000.
- [6] Rs.39000 were realized of investments.
- [7] Reconstruction expenses amounted to Rs.15000.
- [8] It was decided that company had to pay claim. For this company utilized the amount against loan of a director Rs.30000.
- [9] All invisible and intangible assets are to be written off.

Write journal entries in the books of company and prepare balance sheet after capital reduction.