

# HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (E)

TYBCOM/ FINANACIAL ACCOUNTING/ 15-09-17

Marks: 30

Duration: 1Hour

Q.1. The following is the Balance Sheet of X Ltd as on 31<sup>st</sup> March 2009 (15)

Liabilities	Rs	Assets	Rs
12,000 10% Preference Shares of Rs 100 each	12,00,000	Goodwill	90,000
24,000 Equity Shares of Rs 100 each	24,00,000	Land and Building	12,00,000
10% Debenture	6,00,000	Plant and Machinery	18,00,000
Bank Overdraft	6,00,000	Stock	2,60,000
Creditors	3,00,000	Debtors	2,80,000
		Cash	30,000
		Profit and Loss Account	14,00,000
		Preliminary Expenses	40,000
	51,00,000		51,00,000

On the above date, the company adopted the following scheme of reconstruction:

- 1) The equity shares are to be reduced to shares of Rs 40 each fully paid and the preference shares to be reduced to fully paid shares of Rs 75 each
- 2) The debenture holders took over stock and debtors in full settlements of their claims.
- 3) The Land and Building to be appreciated by 30% and Plant and Machinery to be depreciated by 30%
- 4) The fictitious and intangible assets are to be eliminated
- 5) Expenses of reconstruction amounted to Rs 5,000

Pass necessary Journal Entries and prepare Balance Sheet

Q.2. The Balance Sheet of Dirty Ltd as on 31<sup>st</sup> March 2012 appeared as follows: (15)

Liabilities	Rs	Assets	Rs
60,000 Equity Shares of Rs 10 each fully paid	6,00,000	Goodwill	1,67,000
2,000 9% Preference Shares of Rs 100 each fully paid	2,00,000	Land and Building	3,00,000
11% Debentures	4,00,000	Plant and Machinery	2,15,000
Interest accrued on above debentures	44,000	Investments	75,000
Unsecured Loans	2,60,000	Stock	2,10,000
Interest accrued on above unsecured loans	30,000	Sundry Debtors	3,10,000
Current Liabilities	166,000	Bank	45,000
		Preliminary Expenses	25,000
		Profit and Loss A/c	3,53,000
	17,00,000		17,00,000

A scheme of reconstruction has agreed amongst the shareholders and the creditors and approved by the court with the following salient features:

- a) Equity Shares are to be reduced to Rs 3 each fully paid
- b) 9% Preference Shareholders have agreed to accept 12% Debentures of Face Value of Rs 1,20,000, issued at par, in full satisfaction of their claims.
- c) Interest due on unsecured loans is paid at 40% discount
- d) Interest accrued on 11% Debentures is paid at 50% discount
- e) Goodwill, Preliminary Exps and Debit Balance in the profit and loss account is to be written off, Rs 33,000 should be provided for doubtful debts and the value of fixed assets should be appreciated by 20%
- f) Cost of reconstruction paid Rs 16,820

Pass Journal Entries and prepare revised Balance Sheet.

