

# HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (E)

TYBCOM/ FINANCIAL ACCOUNTING/ 30-10-17

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 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

Give journal entries incorporating the above scheme of reconstruction.

Q.2. M/s XYZ Investment Co Ltd submit the following details regarding one of their investments for the year 2011-12. (15)

Opening Balance on 1.4.2011 Face Value Rs 80,000 Cost Price 82,400

Purchase:

1.5. 2011 Face Value Rs 40,000 Cum Interest at 3% Discount

1.11.2011 Face Value Rs 36,000 Ex- Interest at 2% Discount

Sales:

1.8.2011 Face Value Rs 42,000 Ex- Interest at 2% Premium

1.12.2011 Face Value Rs 30,000 Cum Interest at 3% Premium

Market price of Investment at 3% premium on 31<sup>st</sup> March 2012. Investments carry interest at 5% per annum payable on every 1<sup>st</sup> April and 1<sup>st</sup> October.