

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

DATE: 25/08/18

T.Y.B.COM/ FINANCE

MARKS: 30

TIME: 1 HOUR

Q.1. The balance sheet of V Ltd. as on 31-3-2004 is as follows: (15 Marks)

Liabilities	Rs.	Assets	Rs.
Equity Shares of Rs. 10 Each, Rs. 8 paid up	75,00,000	Net Block	90,00,000
Securities Premium	7,50,000	Investments	75,00,000
General Reserve	30,00,000	Current Assets	1,20,00,000
Profit & Loss Account	37,50,000		
Debentures	75,00,000		
Current Liabilities	60,00,000		
	2,85,00,000		2,85,00,000

Keeping in view all the legal requirements, ascertain (i) the maximum no. of equity shares that V Ltd. can buy back; and (ii) The maximum price it can offer. Assume that the buy-back is carried out actually at the legally permissible terms, record the entries in the Journal of V Ltd. and prepare its balance sheet thereafter.

Q.2. The Balance Sheet of Modern Marbles Ltd as at 31st March 2012 (15 Marks)

Liabilities	Rs.	Assets	Rs.
Share Capital of Rs 10 Each	50,00,000	Fixed Assets	66,00,000
General Reserves	6,50,000	Investments	18,00,000
Securities Premium	5,40,000	Stock	11,87,000
Profit and Loss Account	3,75,000	Sundry Debtors	9,60,000
12% Debentures	25,00,000	Cash and Bank	7,10,000
Term Loans	13,25,000		
Current Liabilities	8,67,000		
	1,12,57,000		1,12,57,000

The shareholders adopted the resolution on that date of the above mentioned Balance sheet to:

1. Buyback 20% of the paid up capital @ 15 each
2. Issue 13% Debentures of Rs 5,00,000 at a premium of 10% to finance the buyback of shares
3. Sell investments worth Rs 20,00,000

You are required to pass the necessary Journal Entries to record the above transactions and prepare the balance sheet immediately after buy back.