

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

T.Y.B.COM/ FA

MARKS: 30

DATE: 21/07/2018

DURATION: 1 HOUR

Q.1 On 1st April, 2013, Mr. Singh had 20,000 equity shares in X Ltd. Face value of the shares was Rs. 10 each but their book value was Rs.16 per share. On 1st June, 2013, Mr. Singh purchased 5,000 more equity shares in the company at a premium of Rs.4 per share. On 30th June, 2013, the Director of X Ltd., announced a bonus and right issue. Bonus was declared at the rate of one equity share for every five shares held and these shares were received on 2nd August, 2013.

The terms of rights issue were:

- (a) Rights shares to be issued to the existing holders on 10th August, 2013.
- (b) Rights issue would entitle the holder to subscribe to additional equity shares in the company at the rate of one share per every three held Rs. 15 per share the whole sum being payable by 30th September, 2013.
- (c) Existing shareholders may to the extent of their entitlement, either wholly or in part, transfer their rights to outsiders.
- (d) Mr. Singh exercised his option under the issue for 50% of his entitlements and the balance of rights, he sold to Ananth for a consideration of Rs. 1.50 per share.
- (e) Dividends for the year ended 31st March, 2013 at rate of 15% declared by the company and received by Mr. Singh on 20th October, 2013.
- (f) On 1st November, 2013 Mr. Singh sold 20,000 equity shares at a premium of Rs.3 per share.

Show the Investment Account as it would appear in Mr. Singh's book as on 31-12-2013 and the value of shares held on that date.

(15)

Q.2 Mr. Tandon carried out the following transactions in the shares of Bright Ltd.:

- (a) On 1st April, 2012 he purchased 20,000 shares of Rs. 1 each fully paid for Rs. 30,000.
- (b) On 15th May, 2012, Mr. Tandon sold 4,000 shares for Rs. 7,600.
- (c) At a meeting on 15th June, 2012, the company decided:
 - (1) to make a bonus issue of one fully paid share for every four share held on 1st June, 2012, and
 - (2) to give its members the right to apply for one share for every five shares held on 1st June, 2012, at a price of Rs. 1.50 per share of which 75 paise is payable on or before 15th July, 2012 and the balance 75 paise per share on or before 15th September, 2012.

The shares issued under (1) and (2) were not to rank for dividend for the year ending 31st December, 2012.

(d) Mr. Tandon received his bonus shares and took up 2,000 shares under rights issue, paying the sum thereon when due and selling the rights to the remaining shares at 40 paise per share, proceeds were received on 30th September, 2012.

(e) On 15th March, 2013 he received a dividend from Bright Ltd. of 15 percent in respect of the year ended 31st December, 2012.

(f) On 30th March he received Rs.14,000 for the sale of 10,000 shares.

You are required to record those transactions in the Investment Account in Mr. Tandon's books for the year ended 31st March, 2013, transferring any profit or loss on these transactions.

Ignore expenses and taxes.

(15)