GURUKUL FORTUNERS

Class 12th Accountancy M.M-50

Company Accounts

Q1. Maharana Ltd main business is manufacturing of tyres. The company is very particular about the observation of the provisions of the Companies Act and SEBI guidelines. On 1st April, 2010 the company issued Rs 18,00,000, 8% debentures of Rs 100 each. The debentures were redeemable at a premium of 5%. On 31st March, 2013, all the debentures were redeemed. Since, the manufacturing of tyres results in air pollution, the company had installed a plant for its effective control.
Pass necessary journal entries for the redemption of debentures. Also, identify the value observed by Maharana Ltd. It is assumed that the company has adequate balance in Debenture Redemption Reserve Account.

Q2. Manish Ltd issued Rs 38,00,000, 8% debentures of 1100 each on 1st April, 2007. The terms of issue stated that the debentures were to be redeemed at a premium of 5% on 30th June, 2009. The company decided to transfer out of profits t 5,00,000 to debenture redemption reserve on 31st March, 2008 and Rs 4,50,000 on 31st March, 2009.Pass necessary journal entries regarding the issue and redemption of debentures, without providing for either the interest or loss on issue of debentures.

Q3. Sarvottam Ltd decided to redeem its 1,250, 12% debentures of Rs 100 each. It purchased 850 debentures from the open market at Rs 96 per debenture. The remaining debentures were redeemed out of profit. The company has already made a provision for debenture redemption reserve in its books. Pass necessary journal entries in the books of the company for the above transactions.

Q4. On 1st January, 2007 a public limited company issued 15,000, 10% debentures of Rs 100 each at par which were repayable at a premium of 15% on 31st December, 2011. On the date of maturity, the company decided to redeem the above mentioned 10% debentures as per the term of issue, out of profits. Surplus i.e. Balance in Statement of Profit and Loss shows a credit balance of Rs 20,00,000 on this date. The offer was accepted by all the debentureholders and all the debentures were redeemed. Pass the necessary journal entries in the books of the company only for the redemption of debentures.

Q5. Suresh Ltd on 1st April, 2006 acquired assets of the value of Rs 6,00,000 and liabilities worth Rs 70,000 from P & Co at an agreed value of Rs 5,50,000. Suresh Ltd issued 12% debentures of Rs 100 each at a premium of 10% in full satisfaction of purchase consideration. The debentures were redeemable 3 years later at a premium of 5%. Pass entries to record the above including redemption of debentures.

Q6. TAG Ltd forfeited 400 shares of Rs 10 each issued at a premium of Rs 1 per share for the non-payment of allotment of Rs 4 per share (including premium). The first and final call of Rs 3 per share has not been made yet. 50% of forfeited shares were re-issued at Rs 8 per share fully paid-up. Pass necessary journal entries for the forfeiture and re-issue of shares.

Q7. DN Ltd issued 50,000 shares of 110 each payable as Rs 2 per share on application, Rs 3 per share on allotment and Rs 5 on first and final call. Applications were received for It was decided that
(i)Refuse allotment to the applicants of 10,000 shares.
(ii)Allot 20,000 shares to Mohan who had applied for similar number.
(iii)Allot the remaining shares on pro-rata basis.
Mohan failed to pay the allotment money and Sohan who belonged to the category (iii) and was allotted 3,000 shares paid both the calls with allotment. Calculate the amount received on allotment.

Q8. MCS.Ttd issued 40,000 shares of Rs 10 each payable at Rs 2 on application, Rs 4 on allotment arid'balance, in two equal instalments.
Applications were received for 80,000 shares and the allotment was made as follows: *
(i)Applications of 50,000 shares were allotted 30,000 shares.
(ii)Applications of 30,000 shares were allotted 10,000 shares.
Neeraj to whom 600 shares were allotted from category (i), failed to pay the allotment money. Pass the necessary journal entries upto allotment only.

Q9. .The directors of a company forfeited 200 shares of Rs 10 each issued at a premium of Rs 3 per share, for the non-payment of the first call money of Rs 3 per share. The final call of Rs 2 per share has not been made. Half the forfeited shares were re-issued at Rs 1,000 fully paid. Record the journal entries for the forfeited shares and re-issue of shares.

Q10. .Meena Ltd issued 60,000 shares of Rs 10 each at a premium of Rs 2 per share payable as Rs 3 on application, Rs 5 on allotment (including premium) and balance on the first and final call. Applications were received for 1,02,000 shares.
The directors resolved to allot as follows
(i)Applicants of 60,000 shares — 30,000 shares
(ii) Applicants of 40,000 shares — 30,000 shares
(iii)Applicants of 2,000 shares — Nil
Nikhil who had applied for 1,000 shares in category (i) and Vish, who was allotted 600 shares in category (ii) failed to pay the allotment money. Calculate the amount received on allotment.

Q11. Jaya Ltd issued 60,000 shares of Rs 10 each at a premium of Rs 2 per share payable as Rs 3 on application, Rs 5 (including premium) on allotment and balance on the first and final call. Applications were received for 82,000 shares. The directors resolved to allot as follows
(i)Applicants of 30,000 shares — allotted 20,000 shares
(ii)Applicants of 50,000 shares — allotted 40,000 shares
(iii)Applicants of 2,000 shares — Nil
Ramesh who had applied for 900 shares in category (i) and Suresh who was allotted 600 shares in category (ii) failed to pay the allotment money. Calculate the amount received on allotment.

Q12. PS Ltd forfeited 500 shares of Rs 100 each for the non-payment of first call of Rs 30 per share. The final call of Rs 10 per share was not yet made. The forfeited shares were re-issued for Rs 65,000 fully paid-up. Pass necessary journal entries for the books of the company.