

- Instructions :
- 1) Question No. 1 carries 14 marks, and the remaining questions carry 12 marks each.
 - 2) Question No. 1 and Question No. 2 are compulsory.
 - 3) Question No. 3 contains internal option, i.e. Q.No. 3 OR Q. No. 3, out of which, any one is to be attempted
 - 4) Similarly, Question No. 4 also contains internal option, i.e. Q. No. 4 OR Q. No. 4, out of which any one is to be attempted.
 - 5) In all, four questions are to be attempted, i.e. Q. Nos. 1, 2, 3 and 4.

- Q.1** Ajanta Chemicals Ltd. issued for public subscription 2,00,000 equity shares of Rs. 10 each for cash at a premium of Rs. 12 per share, payable as follows :-
- On Application : Rs. 4 per share
 On Allotment : Rs. 16 per share (including premium)
 On First and Final Call : Rs. 2 per share
- Applications were received for 2,44,000 shares. The company rejected the applications for 19,000 shares and refunded their application money.
- Pro - rata allotment of 200,000 shares was made to the remaining 2,25,000 applications. Surplus application money was adjusted against amounts due on allotment towards face value.
- The first and final call of Rs. 2 per share was duly made.
- All amounts due on allotment and call were duly received except for the following :-
- One shareholder Mr. D who had applied for 4500 shares, failed to pay the amount due from him on allotment, and also the call money due on his shares.
- After due notices, all the shares held by ~~Mr. D~~^{Mr. D} were forfeited by company.
- Subsequently, out of the forfeited shares, 3000 shares were re-issued to Mr. R for cash @ Rs. 22 per share credited as fully paid.
- Pass journal entries in the books of Ajanta Chemicals Ltd. to record all the above transactions including cash/bank transactions.

- Q.2** The following details relating to Material "DPT" have been extracted from the books and records of Balsam Chemical Co. :-

Date	Particulars			
01/09/2006	Balance in stock Nil			
05/09/2006	Received	600	Kgs.	Purchased @ Rs. 19 per Kg.
15/09/2006	Received	1200	Kgs.	Purchased @ Rs. 17 per Kg.
05/10/2006	Received	2100	Kgs.	Purchased @ Rs. 16 per Kg.
07/10/2006	Issued	1500	Kgs.	to factory.
02/11/2006	Received	600	Kgs.	Purchased @ Rs. 20 per Kg.
04/11/2006	Issued	2700	Kgs.	to factory
03/12/2006	Received	900	Kgs.	Purchased @ Rs. 19 per Kg.
31/12/2006	Issued	600	Kgs.	to factory.

Using "Weighted Average" Method of pricing of issues, you are required to prepare the "Stores Ledger Account" of Material "DPT" for the four months ended 31st December, 2006

Weighted Average Rate should be rounded off correct to three decimals, while amounts should be rounded off correct to nearest interger.

Q.3 On 1st January 2004, Champion Ltd. purchased machinery from Sonata Ltd. on hire - purchase basis. The following were the terms of the hire - purchase agreement :-

- a) Cash down payment of Rs. 6,666 to be made by the buyer at the time of signing of the agreement on 1st January, 2004.
- b) Three installments of Rs. 7,777, Rs. 8,888 and Rs. 9,999 payable by the buyer on 31st December 2004, 2005 and 2006 respectively.
- c) Interest to be charged by the seller @ 14% p.a. on outstanding balances of cash price.
- d) The cash price of the machinery was Rs. 27,076.

The entire transaction was duly completed. Champion Ltd. provided depreciation on machinery @ 15% p.a. on the reducing balance method. The books of Champion Ltd. are closed on 31st December every year.

All calculations are to be rounded off correct to the nearest rupee.

Using Interest Suspense method. You are required to show the following accounts in the books of Champion Ltd. for the years 2004, 2005 and 2006 :-

- i) Machinery Account
- ii) Sonata Ltd. Account
- iii) Interest Suspense Account
- iv) Interest Account.

OR

Q.3 Caltex Ltd. issued for public subscription 12000 14% Debentures of Rs. 100 each for cash at a premium of Rs. 6 per debenture, payable as follows :-

- On Application : Rs. 25 per debenture
- On Allotment : Rs. 31 per debenture (including premium Rs. 6)
- On First Call : Rs. 25 per debenture
- On Final Call : Rs. 25 per debenture

Applications for 14400 debentures were received from the public. However only 12000 debentures were allotted, and application money on rejected applications was refunded in full.

Both the calls were duly made. All the sums due on allotment, and on the two calls were duly received.

Pass Journal Entries in the books of the company to record all the above transactions.

Q.4 The following information has been extracted from the books of Vrindavan Traders for the year ended 31st March, 2006 :-

(A)

Dr.		Sales Account		Cr.	
Date	Particulars	Amt. Rs.	Date	Particulars	Amt. Rs.
31-3-06	To bal c/d	70,000	30-9-06	By Sundry Debtors	32,000
			31-3-06	By Sundry Debtors	38,000
		<u>70,000</u>			<u>70,000</u>

(B)

Dr.		Purchases Account		Cr.	
Date	Particulars	Amt. Rs.	Date	Particulars	Amt. Rs.
30-9-06	To Sundry Creditors	23,000	31-3-06	By bal c/d	48,000
31-3-06	To Sundry Creditors	25,000			
		<u>48,000</u>			<u>48,000</u>

(C) Other Ledger balances as on 31st March 2006 were as follows :-

	Rs.		Rs.
Returns Inward	3,000	Insurance	1,000
Returns Outward	1,500	Prepaid Insurance	500
Carriage Inward	1,000	Capital	30,000
Carriage Outward	2,000	Furniture	5,000
Goodwill	10,000	Debtors	12,000
Creditors	8,000	Opening Stock	10,000
Rent	4,500	Cash	3,000
Outstanding Rent	1,500	Drawings	2,000
Salaries	9,000		

From the above information, you are required to prepare the Trial Balance as on 31-3-2006

Also prepare the Trading and Profit and Loss Account for the year ended 31st March, 2006, and the Balance Sheet as on that date, given that the stock on 31-3-2006 was Rs. 11500.

OR

Q.4 Write short notes on (Any Three) :-

- Bonus to Shareholders
- Asset Accrual Method
- Forfeiture of Shares
- FIFO Method of stock - valuation.
