



15. The following are the balance of Indian bank Limited for the year ended 31/12/2018

	Amount
Interest on loan	5,18,000
Interest on fixed deposit	5,50,000
Commission received	16,400
Salaries and allowance	1,08,000
Discount on bill discounted	3,90,000
Interest on cash credit	4,46,000
Interest on current a/c	84,000
Rent and tax	36,000
Interest on overdraft	3,08,000
Director's fees	8,400
Interest on savings a/c	1,36,000
Postage and telegram	8,600
Lockers rent	2,000
Depreciation on bank properties	10,000
Transfer fees	1,400
Sundry charges	3,400
Other information:	

1. Rebate on bill discounted Rs 98,000
2. Bad debts Rs 80,000
3. Provision for income tax Rs 3,00,000

From the above information, prepare the Profit and Loss a/c of the bank for the year ended 31/12/2018

16. The share capital of A Ltd. Consist of the following

- a) 10,000 6% preference shares of Rs. 100 each
- b) 50,000 equity shares of Rs. 10 each

The shares were fully paid up . The Co. has accumulated losses to the extent of Rs. 3,50,000, preliminary expense Rs. 20,000 and fixed assets are overvalued to the extent of Rs. 4,00,000..

The scheme of capital reduction permits to write off overvalue of fixed assets , losses and expenses. Under this scheme 6% preference shares are to be converted into 8% preference shares of Rs. 60 each and equity shares are converted in to shares of Rs. 2 each . Pass necessary journal entries.

17. A company has equity share capital of Rs. 5,00,000 consisting of 5,000 shares of Rs. 100 each. 1) It is resolved to sub divide the share in to shares of Rs.10 each 2) To ask the shareholders to surrender 50% of their shares. 3) to issue 60 % of the surrendered shares to 15% debenture holders of Rs. 2,00,000 in full settlement of their claim .4)to cancel the unissued surrendered shares . Give journal entries in the books of the company..

18. Amalgamation makes some difficulties in the external environment of the business-Explain

19. The balance sheet of A Ltd. and B Ltd. as on 31st March 2013 are given.

Liabilities	A Ltd.	B Ltd.	Assets	A Ltd.	B Ltd.
Equity Share (10Each)	100000	120000	Goodwill	20000	10000
General Reserve	27000	10000	L & B	30000	26000
Profit and Loss A/C	8000	-----	Debtors	20000	32500
Sundry Creditors	15000	10000	Stock	45000	25000
			Bank	35000	32300
			Profit and Loss A/C	-----	14200
	150000	140000		150000	140000

Two companies decided to amalgamate in to a new company AB Ltd. which will take over the assets and liabilities of these two companies with the following conditions-

A Ltd. – Holders of each share of Rs 10/- in the company would receive one share of Rs 15 each, Rs 9 paid up and Rs 4 in cash. B Ltd. – Holders of each share of Rs 10/- each would receive one share of Rs 10 each in AB Ltd. at a market value of Rs 13 each in AB Ltd. and Rs 2 in cash. The liquidation expenses of two companies Rs 3000/- Rs 5000/- respectively were met by AB Ltd. AB Ltd. agrees to pay Rs 10000/- to B Ltd. for discharging creditors. Calculate Purchase consideration of both the companies.





20. External Reconstruction is a need for the survival of a company but absorption is for strengthening the existing one – critically Comment.
21. From the following particulars relating to Life Style Ltd, which was liquidated on 31.3.2018, calculate the amount of unsecured creditors and preferential creditors:

	₹
Trade creditors	1,42,200
Provident fund of workers	11,000
Gas bills outstanding for gas supplied	420
Dues to city corporation for local taxes	10,000
Salary of clerk for six months	30,000
Salary of peons for four months	6,000
Directors' fees for four months	8,000
Income Tax due for 2017-18	10,000
Compensation under workmen's Compensation Act	9,000

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. From the following information prepare revenue account of Sun Life Insurance Company for the year ended 31.03.2019
- | | |
|--|----------|
| Claims death | 42,376 |
| Commission | 50,000 |
| Commission on reinsurance received | 12,000 |
| Share transfer fees | 5,000 |
| Expenses of management | 78,000 |
| Bad debts | 2,500 |
| Claims paid | 15,000 |
| Premium received less reinsurance | 5,52,000 |
| Reserve for unexpired risk on 01.04.2018 | 2,30,000 |
| Additional reserve on 01.04.2018 | 40,000 |
| claims outstanding on 01.04.2018 | 27,000 |
| Rent, rate and tax | 18,500 |
- Adjustments:
1. Premium outstanding on 31.03.2019 amounts to Rs.40,000/-
 2. It is the policy of the company to maintain 50% of premium towards reserve for unexpired risks.
 3. Additional reserve at 10% of net premium to be maintained
23. Give the model form of the balance sheet of a banking company with suitable schedules(use imaginary figures).
24. The summarized Balance Sheet of Bhoom Ltd. as on 31st December 2015 is given below.

Liabilities	Amount	Assets	Amount
Share capital (100 each)	150000	Land & Building	175000
13% Debentures of Rs 10 each	75000	Plant and Machinery	46000
General Reserve	45000	Stock	51000
Profit and Loss Account	18000	Debtors	14500
Creditors	12500	Cash	14000
	300500		300500

Bhoom Ltd. is absorbed by Bheema Ltd. on 1st January 2016 with conditions such as all the assets and liabilities are taken over at book value, an exchange of six shares of Bheema Ltd. of Rs 10/- each at par for four shares in Bhoom Ltd. and 13% debentures are to be redeemed at a premium of 5%. Prepare the journal entries in the books of Bheem Ltd. and also close the books of Bhoom Ltd. The expenses of liquidation is paid by Bheem Ltd. amounting to Rs 2500/-.





25. From the following data relating to a company (in voluntary liquidation), you are asked to prepare Liquidator's Final Statement of Account.

1. Cash with liquidator (after all assets are realized and secured creditors and debenture holders are paid) is ₹ 6,73,800.
2. Preferential creditors to be paid ₹ 30,000.
3. Other unsecured creditors ₹ 2,15,000.
4. 4,000, 6% Preference shares of ₹ 100 each fully paid.
5. 2,000 Equity shares of ₹ 100 each, ₹ 75 per share paid up.
6. 6,000 Equity shares of ₹ 100 each, ₹ 60 per share paid up.
7. Liquidator's remuneration 2% on preferential and other unsecured creditors.
8. Preference dividends were in arrear for 2 years.

(2×15=30)

