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**Bachelor of Commerce (Semester- VI)****Accounting Major VII - Accounting II****[Time: 2:00 Hours]****[Max. Marks:80]****Instructions:**(1) Question No. 1 is compulsory(2) Answer any **THREE** questions from Question No.2 to Question No.6.

(3) Figures to the right indicate marks to the question/ sub- question.

- 1] Suragra Ltd. Issued on 01/01/2020, 10,000 6% debentures of Rs.100 each at par [20]  
 repayable at the end of 4 years at a premium of 10%. It was decided to create a  
 debenture redemption fund for the redemption of debentures. Investments are expected  
 to earn interest at 5% p.a.

Reference to the sinking fund table shows that Re.0.232012 invested annually at 5%  
 compound interest amounts to Re.1 at the end of 4 years. Investments were made in  
 multiples of Rs.100 only. **On 31/12/2023 investments were sold for Rs. 8,05,000** and  
 the debentures were redeemed. Prepare the following ledger accounts except for  
 debenture interest:

- a) Sinking Fund A/c  
 b) Sinking Fund Investments A/c

- 2] Dr. Amey commences practice as a dentist on 1/1/2023 investing Rs 6,00,000 in dental [20]  
 equipment. His Receipts and Payments A/c for the year ending 31-12-2023 was as  
 under.

Receipt	Amount	Payment	Amount
To Fees Received	70,000	By Salary to assistant	20,000
To Sundry receipts	10,000	By salary to attendant	6,000
		By rent of clinic	12,000
		By library books	100000
		By purchase of equipment (1/7)	200,000
		By drawings	102000
		By Bank balance	270000
	<b>710,000</b>		<b>710,000</b>

Additional Information:-

- 1) Salary to the assistant is outstanding Rs 4,000
- 2) Rent of clinic prepaid Rs 2,000
- 3) Fees amounting to Rs15000 are still outstanding
- 4) Depreciate equipment at 8% and library books at 10%

Prepare Receipts and Expenditure A/c of Dr. Amey for the year ending 31-12-2023 and Balance sheet as on 31/12/2023.

- 3] Mr. Shrikant holds, 1,200, 6% debentures of Rs 100 each in XYZ Ltd as on 1st April 2022 at a cost of Rs. 1,40,000. Interest is payable on 30<sup>th</sup> June and 31st December each year. [20]

Other details are as under:

Date	Details	Rs
01.06.2022	400 Debentures are purchased cum interest at	40800
01.11.2022	400 Debentures are purchased ex-interest at	38400
30.11.2022	600 Debentures are sold cum-interest for	64500
31.12.2022	800 Debentures are sold ex-interest for	77300

Prepare 6 % Debentures Account in the books of Mr. Shrikant valuating closing balance on 31st March, 2023 at cost or market price whichever is lower. The debentures are quoted at par on 31st March, 2023.

- 4] Pinstar Ltd. passed a resolution to wind up voluntarily on 31<sup>st</sup> March, 2023, when its Balance Sheet stood as under: [20]

Liabilities	Rs	Assets	Rs
Share Capital:		Land and buildings	2,00,000
Authorised and subscribed		Plant & Machinery	5,40,000
4000 14% Preference shares of Rs. 100 each	4,00,000	Patents	40,000
8000 Equity Shares of Rs. 100 each, Rs.60 paid up	4,80,000	Stock at cost	100,000
<u>Secured Loan</u> 14% Debentures (Floating Charge on all assets)	2,30,000	Sundry Debtors	2,30,000
Interest on Debentures	32,200	Cash at Bank	60,000
Loan on Mortgage of Land & Building	1,50,000	Profit & Loss A/c	2,40,000
<u>Unsecured Loan</u> Sundry Creditors	1,17,800		
	<u>14,10,000</u>		<u>14,10,000</u>

Additional information:

- a) The Preference Dividend is in arrears for one year. The arrears are payable on liquidation as per the Articles of Company.
- b) Creditors include preferential creditors of Rs.30,000.
- c) The Assets realised are as follows: Land and Buildings Rs.2,80,000, Plant & Machinery Rs.5,00,000; Patents Rs.50,000; Stock Rs.1,60,000; Sundry Debtors Rs. 200,000.
- d) The Expenses of Liquidation amounted to Rs.29,434.
- e) The Liquidator is entitled to a Commission of 2% on all assets realised (except cash at bank) and 2% on amount distributed among unsecured creditors except preferential creditors.
- f) All payments were made on 30<sup>th</sup> June, 2023.

You are required to prepare Liquidators Statement of Account.

- 5] Delmic Ltd. Issued 5000 13% Debentures of Rs.100 each at par on 01/04/2020. The terms of the issue of debentures provided that the Company provide a Sinking fund for the redemption of debentures on 31/03/2024. The Company decided to take out an insurance policy to provide the necessary cash to facilitate the redemption of Debentures. The Annual Insurance premium payable to the Insurance company works out to Rs.1,15,000. Prepare the following ledger accounts: [20]
- a) 13% Debenture Account
  - b) Debenture Redemption Fund Account
  - c) Debenture Redemption Insurance Policy Account.

- 6] Answer **ANY FOUR** of the following: [4 X 5=20]
- a) Explain any two books of accounts maintained by the Professionals.
  - b) Write a short note on Bonus Shares.
  - c) Write a short note on types of investments.
  - d) Explain Redemption of Debentures by Conversion Method.
  - e) Explain Redemption of Debentures out of Profits.
  - f) State the "Order of Payment" in case of Liquidation of Companies.