

29. 2064 Supp. Q.No. 10

A company issued 2,000 shares of Rs. 100 each at a discount of 10% payable as follows:

On application	Rs. 30 per share
On allotment	Rs. 30 per share (including discount)
On first and final call	Rs. 30 per share

Applications were received for 3,000 shares and allotment was made in the following manner:

To applicants for 1,000 shares	- Full
To applicants for 2,000 shares	- 1,000 shares

Monies overpaid on applications were utilised on subsequent calls. All the calls monies were received except a holder holding 100 shares failed to pay on allotment and final calls. His shares were forfeited and re-issued at Rs. 70 per share.

Required: Journal entries for: [2+2+1+1]

- a. Share allotment b. Share first and final call
c. Share forfeited d. Share re-issued

Ans: (a) Share allotment Rs. 27,000 (b) Share first and final call Rs. 57,000
(c) Share forfeited Rs. 3,000 (d) Bank a/c Rs. 7,000

30. 2063 Q.No. 2

B. Co. Ltd. forfeited 1,000 shares of Rs. 100 each of shareholder for non-payment of final call money of Rs. 25 per share. Of the forfeited shares, 400 shares were reissued at Rs. 60 per share as fully paid.

Required: Journal entries for

- a. Forfeiture b. Reissue c. Transfer [1+1+1]

Ans: Amount transferred to capital reserve Rs. 14,000; Share forfeiture Rs. 75,000

31. 2062 Q.No. 2

B. Co. Ltd. forfeited 500 shares of Rs. 50 each, for non-payment of 1st and final call money of Rs. 20 per share by the Board's resolution of these shares 400 shares were reissued subsequently by the company at Rs. 40 per share as fully paid.

Required: Journal entries for

- a. Forfeiture b. Reissue c. Transfer [1+1+1]

Ans: (a) Forfeited amount Rs. 15,000 (Cr.) (b) Bank a/c Rs. 16,000 (Dr.) (c) Rs. 8,000

32. 2061 Q.No. 2

C Ltd. forfeited 400 shares of Rs. 100 each, Rs. 80 per share being called up, which were issued at a discount of Rs. 10 per share for non-payment of first call of Rs. 30 per share. Of these forfeited shares, 300 shares were reissued subsequently by the company at Rs. 50 per share as Rs. 80 paid up per share

Required: Journal entries for forfeiture re-issue and transfer [1+1+1]

Ans: Amount transferred to capital reserve Rs. 6,000; Share forfeiture a/c Rs. 16,000

33. 2060 Q.No. 1

A company limited invited application for 10,000 shares of Rs 10 each at a premium of Rs 2 per share payable as under.

On application	Rs 3
On allotment	Rs 5 (including premium)
On first and final call	Rs 4

The public applied for 15,000 shares. Applications for 3,000 shares were rejected and allotments of shares were made among the remaining applicants on pro-rata basis. It was decided to utilize excess application money in part payment of allotment.

One shareholder, holding 200 shares, failed to pay the money due on allotment and the call. His shares were forfeited.

Required: Journal entries for

- a. Share allotment b. Share first and final call c. Share forfeiture [2+2+1]

Ans: Calls in arrear on allotment Rs. 880; calls in arrear on first and final call Rs. 800; share forfeiture Rs. 720

34. 2060 Q.No. 3

A company forfeited 100 shares of Rs 100 each fully called up for non-payment of allotment @ Rs 30 and final call Rs 40 per share. Out of these only 60 shares were reissued at Rs 80 per share as fully paid.

Required: Journal entries for forfeiture reissue and transfer.

[1+1+1]

Ans: Amount transfer to capital reserve Rs. 600; Share forfeiture Rs. 3,000

35. 2060 SUPP. Q.No. 1

Arun Co. Ltd. issued 10,000 equity shares of Rs. 100 each payable as under:

On application - Rs. 30; On allotment- Rs. 40; On first and final call - Rs. 30

Applications were received for 15,000 shares. It was decided to refuse allotment to the applicants for 3,000 shares and to allot the shares on pro-rata basis to the remaining applicants. It was also decided to utilize excess application money in part payment of allotment. All monies were duly received except on 120 shares from which allotment and call money could not be collected. Board of Directors decided to forfeit these shares.

[2+2+1]

Required: Entries for

a. Shares allotment b. Share first and final call c. Share forfeiture

Ans: (a) Bank a/c Rs. 3,35,920 (b) Bank a/c Rs. 2,96,400 (c) Share forfeiture Rs. 4,320

36. 2060 SUPP. Q.No. 2

Ashok Co. Ltd. forfeited 400 shares of Rs. 100 each issued at 10% discount to Mr. Kumar Ghatri upon the non-payment of final call of Rs. 40 per share as fully paid and these shares were reissued to Mr. Ambar Thapa at Rs. 70 per share as fully paid.

Required: Entries for

[1+1+1]

a. Share forfeiture b. Share re-issue c. Transfer of balance to capital reserve a/c, if any.

Ans: Share forfeiture Rs. 20,000; Amount transferred to capital reserves Rs. 12,000

ISSUES OF SHARES FOR OTHER THAN CASH**1. 2073 Set C Q.No. 11**

S. Company Ltd. acquired the following assets and liabilities at an agreed price of Rs. 5,50,000.

Machinery	Rs. 3,00,000	Creditors	Rs. 50,000
Debtors	Rs. 1,00,000	Inventory	Rs. 1,50,000

The company paid the agreed price by issuing shares of Rs. 100 each at a premium of 10%.

Required: Entries for purchase of business

[3]

Ans: Goodwill Rs. 50,000

2. 2073 Set D Q.No. 11

A company issued 10,000 shares of Rs. 100 each at a premium of 20% to purchase the following assets and liabilities:

Land and building	Rs. 4,00,000	Debtors	Rs. 2,50,000
Furniture	Rs. 1,00,000	Creditors	Rs. 2,00,000
Stock	Rs. 50,000	Debentures	Rs. 1,00,000

Required: Journal entries for purchase of assets and liabilities.

[2+1=3]

Ans: Goodwill Rs. 700,000

3. 2072 Supp Q.No. 11

A company Ltd. issued 5,000 shares of Rs. 100 each at a premium of 10% to purchase the following assets and liabilities:

Machinery Rs. 5,00,000

Furniture Rs. 1,50,000

Creditors Rs. 1,00,000

Required: Journal entries for the purchase of assets and liabilities.

[2+1]

Ans: Purchase considerations Rs. 5,50,000

4. 2072 Set C Q.No. 11

B. company Ltd tookover the assets of Rs.15,00,000 and liabilities of Rs.2,20,000 of A company Ltd at an agreed price of Rs.13,20,000. The purchaser discharged the purchase price by issuing shares of Rs.100 each at 10% premium.

Required:

[2+1=3]

a. Entries for purchase of assets and liabilities b. Balance sheet

Ans: Goodwill = Rs. 40,000, B/S Total = Rs. 15,40,000

5. 2072 Set D Q.No. 11

A company Ltd. issued 10,000 shares of Rs.100 each at a discount @ 10% to purchase the following assets and liabilities.

Land and Building	Rs.8,00,000
Machinery	Rs.1,00,000
Bills payable	Rs.50,000

Required: Journal entries for purchase of assets and liabilities [2+1=3]

Ans: Goodwill = Rs. 50,000

6. 2072 Set E Q.No. 11

A company took over the following assets and liabilities at an agreed price of Rs. 4,95,000.

Land and building	Rs.7,00,000
Furnitures	Rs.40,000
Debtors	Rs.60,000
Creditors	Rs.3,00,000
Bills payable	Rs.5,000

The company paid the purchase consideration amount by issuing shares of Rs. 100 each at 10% premium.

Required : Journal entries for the purchase of assets and liabilities [2+1=3]

Ans: No. of shares issued = 4500 units

7. 2071 Supp Q.No. 11

A company issued 5,000 shares of Rs.100 each to purchased the following assets and liabilities

Machinery:	Rs.2,00,000
Furniture:	Rs.2,50,000
Creditors:	Rs.50,000

Required: Journal entries for purchase of assets and liabilities. [2+1]

Ans: Goodwill= Rs. 100,000

8. 2071 Set C Q.No. 11

X Company Ltd. acquired the following assets and liabilities at an agreed price of Rs. 11,00,000.

Machinery	Rs. 10,00,000	Debtors	Rs. 50,000
Furniture	Rs. 5,00,000	O/S payable	Rs. 1,00,000
Bank loan	Rs. 2,00,000	Inventories	Rs. 1,00,000
Creditors	Rs. 1,50,000		

The company paid the agreed price by issuing shares of Rs. 100 each at a premium of 10%.

Required: Journal entries for purchase of assets and liabilities. [3]

Ans: Capital reserve Rs. 100,000

9. 2071 Set D Q.No. 11

A company Ltd took over the following assets and liabilities of a Vendor Company at an agreed price of Rs. 14,30,000. [3]

Debtors	Rs. 3,50,000	Loan	Rs. 3,00,000
Creditors	Rs. 8,00,000	Furniture	Rs. 8,00,000
Equipments	Rs. 6,00,000	Inventories	Rs. 2,00,000

The company paid the purchase price by issuing equity shares of Rs. 100 each at 10% premium.

Required: Entries for purchase of assets and liabilities

Ans: Goodwill Rs. 5,80,000

10. 2070 Supp Q.No. 11

A company purchased the following assets and liabilities which purchase price is Rs. 880,000.

Land and building	Rs. 500,000	Machinery	Rs. 300,000
Inventories	Rs. 50,000	Creditors	Rs. 30,000

Payments of the above transactions were made by issuing 8,000 shares of Rs. 100 each of 10% premium.

Required: Journal entries for purchase of assets and liabilities. [2 + 1]

Ans: Goodwill Rs. 60,000

11. 2070 Set C Q.No. 11

A limited company issued 13,000 shares of Rs. 100 each to purchase the business consisting following assets and liabilities.

Current assets:	Rs. 2,00,000
Furniture:	Rs. 1,50,000
Other fixed assets:	Rs. 12,00,000
Current liabilities	Rs. 3,00,000

Required: Entry for purchase of business

[3]

Ans: Goodwill Rs. 50,000

12. 2070 Set D Q.No. 11

A limited company issued 10,000 shares of Rs. 100 each to purchase the business having following assets and liabilities.

Furnitures	Rs. 1,00,000	Plant and machinery	Rs. 7,00,000
Stock	Rs. 4,00,000	Creditors	Rs. 1,50,000
Bills payable	Rs. 30,000		

Required: Entry for business purchase

[3]

Ans: Capital reserve Rs. 20,000

13. 2069 Supp Set A Q.No. 11

A Co Ltd. took over the following assets and liabilities of B Co. Ltd at an agreed purchase price of Rs. 300,000

Machinery	Rs. 1,50,000	Furniture	Rs. 1,00,000
Sundry Creditors	Rs. 60,000	Stock	Rs. 50,000
Sundry Debtors	Rs. 30,000		

The company paid the purchase consideration by issuing shares of Rs 100 each at par.

Required : Journal Entries

[3]

Ans: Goodwill Rs. 30,000

14. 2069 Supp Set B Q.No. 11

M. Company Ltd. took over the following assets and liabilities of N. Company Ltd. at an agreed purchased price of Rs. 4,40,000.

Machinery	Rs. 3,00,000
Stock	Rs. 1,50,000
Creditors	Rs. 30,000

The company paid the purchases consideration by issuing shares of Rs. 100 each at 10% premium.

Required: Journal entries

[3]

Ans: Goodwill Rs. 20,000

15. 2069 (Set A) Q.No. 11

A limited company took over the following assets and liabilities at an agreed value of Rs. 42,00,000

Debtors	Rs. 8,00,000	Creditors	Rs. 15,00,000
Equipments	Rs. 25,00,000	Loan payable	Rs. 5,00,000
Furnitures	Rs. 12,00,000	Books	Rs. 21,00,000

Company paid the amount of purchase price by issuing equity shares of Rs. 100 each at 5% premium

Required: Entries for purchase of assets and liabilities.

[3]

Ans: Capital reserve Rs. 4,00,000

16. 2069 (Set B) Q.No. 11

A Company Ltd. issued 3,000 shares of Rs. 100 each at 10% discount to purchase the following assets and liabilities.

Land and building	Rs. 2,00,000	Furniture	Rs. 50,000
Stock	Rs. 60,000	Creditors	Rs. 20,000

Required: Journal entries for purchase of assets and liabilities.

[2+1=3]

Ans: Capital reserve Rs. 20,000

17. 2068 Q.No. 11

A Company accepted the following assets and liabilities at an agreed value of Rs. 25,20,000:

Building	Rs. 25,00,000	Machinery	Rs. 10,00,000
Furniture	Rs. 2,00,000	Debtors	Rs. 3,00,000
Outstanding expenses	Rs. 1,00,000	Creditors	Rs. 5,00,000
10% debentures	Rs. 8,00,000		

Company paid the amount of purchase price by issuing shares of Rs. 100 each at premium of 5%.

Required: Journal entries for purchase of assets and liabilities taken over. [3]

Ans: Capital reserve Rs.80,000

18. 2068 Supp Q.No. 11

A Company Ltd. purchased the following assets and took over the liabilities by issuing equity shares valued Rs. 2,30,000:

Assets-	Building	Rs. 2,00,000	
	Sundry Debtors	Rs. 80,000	
	Inventories	Rs. 80,000	
Liabilities-	Creditors	Rs. 70,000	
	Bank overdraft	Rs. 30,000	

The mentioned amount is paid by issuing equity shares of Rs. 100 each at Rs. 115 per share.

Required: Journal Entries [3]

Ans: Capital reserve Rs. 30,000

19. 2067 Q.No. 11

X Co. Ltd. issue 9000 shares of Rs.100 each at a premium of Rs.10 per share to purchase the following assets and liabilities:

Land and Building	Rs.6,00,000	Plant and Machinery	Rs.3,00,000
Furniture	Rs.50,000	Sundry debtors	Rs.90,000
Sundry Creditors	Rs.50,000	Bills payable	Rs.30,000

Besides, the company also issued 1000 shares of Rs.100 each at Rs.112 as fully paid.

Required: Journal entries for purchase of business and issue of new shares. [4]

Ans: Goodwill Rs. 30,000

20. 2067 Supp Q.No. 11

A company Ltd. issued 2,000 shares of Rs. 100 each at a premium of 10% to purchase the following assets and liabilities.

Machinery	Rs. 1,00,000	Furniture	Rs. 50,000
Creditors	Rs. 20,000	Stock	Rs. 60,000

Required: Journal entries for purchase of assets and liabilities. [2+1]

Ans: Goodwill Rs. 30,000

21. 2066 Q.No. 11

A Company Ltd. issued 10,000 shares of Rs. 100 each at a premium of Rs. 10 per share to purchase the following assets and liabilities of B Company Ltd.:

Creditors	Rs.3,00,000	Loan	Rs. 3,00,000
Machinery	Rs. 5,00,000	Furniture	Rs. 2,00,000
Debtors	Rs. 3,00,000		

Required: Journal entries [3]

Ans: Goodwill Rs. 7,00,000

22. 2066 Supp Q.No. 11

H Company Ltd. took over the following assets and liabilities at an agreed purchase price of Rs. 10,50,000.

Equipments	Rs. 6,50,000	Furnitures	Rs. 3,00,000
Debtors	Rs. 2,00,000	Inventory	Rs. 5,00,000
Creditors	Rs. 4,00,000	Outstanding expenses	Rs. 1,00,000

The company paid the purchase price by issuing equity shares of Rs. 100 each at 5% premium.

Required: Journal entries [3]

Ans: Capital reserve Rs. 100,000

23. 2066 (C) Q.No. 11

A Co. Ltd. issued 2,000 shares of Rs. 100 each at a premium of 10% to purchase the following assets and liabilities of B Co. Ltd.:

Fixed assets	Rs. 2,75,000	Current assets	Rs. 1,00,000
Bank loan	Rs. 50,000		

Required: Journal entries

[3]

Ans: Capital reserve Rs. 1,05,000

24. 2065 Q.No. 3 (Old)

X. Co. Ltd. with an authorized capital of 5,000 shares of Rs. 100 each issued 3,000 shares to purchase the following assets and liabilities:

Plant and machinery	Rs. 2,00,000	Furniture	Rs. 50,000
Stock	Rs. 50,000	Sundry creditors	Rs. 40,000

The company also issued remaining shares at par for public subscription. These shares were fully subscribed and paid.

[2+3]

Required:

- a. Entry for purchase of assets and liabilities b. Opening balance of X Co. Ltd.

Ans: (a) Goodwill Rs. 40,000 (b) B/s total Rs. 5,40,000

25. 2064 Q.No 11

A. Co. Ltd. issued 10,000 shares of Rs. 100 each at a premium of 20% to purchase the following assets and liabilities of B Co. Ltd.

Machinery	Rs. 8,00,000	Furniture	Rs. 3,00,000
Sundry creditors	2,00,000	Sundry debtors	5,00,000
Loan	3,00,000		

Required: Journal entries.

[3]

Ans: Goodwill Rs. 1,00,000

26. 2064 Q.No 3 (OLD)

X Co. Ltd. took over the following assets and liabilities at an agreed purchase price of Rs. 3,60,000. The company issued 4,000 shares of Rs. 100 each at a discount of 10% for the payment of purchase consideration:

Plant & machinery	Rs. 2,00,000	Sundry creditors	Rs. 40,000
Sundry debtors	90,000	Furniture	1,00,000

The company further issued 1,000 shares of Rs. 100 each at par.

Required:

[2+3]

- a. Journal entry for purchase of assets and liabilities only
b. Opening balance sheet for above transactions.

Ans: (a) Goodwill Rs. 10,000 (b) B/S Rs. 5,40,000

27. 2064 Supp. Q.No. 11

A Co. Ltd. took over the following assets and liabilities of B Co. Ltd. at an agreed purchase price of Rs. 6,30,000:

Building	Rs. 5,00,000	Machinery	Rs. 2,00,000
Creditors	Rs. 80,000	Debtors	Rs. 80,000
Outstanding expenses	Rs. 20,000		

The company issued fully paid equity shares of Rs. 100 each at 10% discount for the payment of purchase consideration.

Required: Journal entries

[3]

Ans: Capital reserve Rs. 50,000

28. 2063 Q.No. 3

Meena Company purchased building Rs. 4,00,000, vehicle Rs. 80,000 and sundry debtors Rs. 1,00,000 and took over the liabilities of sundry creditors of Rs. 90,000 and outstanding expenses of Rs. 30,000 from Nagendra Co. Purchases price was fixed at Rs. 6,00,000. The amount is paid by issuing equity shares of Rs. 100 each at Rs. 120

Required: (a) Journal entries (b) Opening balance sheet

[2+3]

Ans: Goodwill Rs. 140,000; B/S total Rs. 720,000

29. 2062 Q.No. 3

M Company Ltd. took over the following assets and liabilities of N company Ltd. at an agreed price of Rs. 400,000.

Liabilities:

Sundry creditors	Rs. 60,000
Outstanding expenses	Rs. 15,000
Overdraft balance	Rs. 10,000

Assets:

Land & Building	Rs. 250,000
Sundry debtors	Rs. 80,000
Stock in trade	Rs. 20,000

Payments to this deal will be made by issuing 2,000 equity shares and 2,000, 7% preference shares of Rs. 100 each.

Required:

- a. Journal entries b. Opening balance sheet [2+3]

Ans: (a) Goodwill Rs. 135,000 (b) B/S total Rs. 4,85,000

30. 2061 Q.No. 3

A Ltd. took over the following assets and liabilities at an agreed purchase price of Rs. 116,000; Building Rs. 50,000, sundry debtors Rs. 41,800, stock in trade Rs. 36,000, Cash and Bank Rs. 2,200, Sundry creditors Rs. 31,000, Outstanding expenses Rs. 1,000. Towards this, the company issued 1000 fully paid equity shares of Rs. 100 each at Rs. 115 per share, as part payment and the balance amount was paid in cash.

Required:

- a. Journal entries b. Opening balance sheet [2+3]

Ans: (a) Goodwill Rs. 18,000 (b) B/S total Rs. 147,000

31. 2060 Q.No. 2

A company issued 8,000 shares of Rs 100 each at a discount of 10% to purchase the following assets:

Land and Building	Rs 5,00,000
Plant and Machinery	Rs 2,00,000
Inventory	Rs 20,000

The company also issued 2,000 shares of Rs 100 each for cash at par.

Required:

- a. Journal entry for purchases of assets only. [2+3]
b. Opening balance sheet for above transactions.

Ans: (a) Purchase consideration Rs. 720,000 (b) B/S total Rs. 10,00,000

3. ACCOUNTING FOR DEBENTURES**THEORETICAL QUESTIONS****1. 2072 Supp Q.No. 2**

Give the meaning of debenture. [2]
ऋण पत्रको अर्थ लेख्नु होस् ।

2. 2071 Supp Q.No. 2

Write the meaning of debenture. (ऋणपत्रको अर्थ लेख्नुहोस् ।) [2]

3. 2068 Supp Q.No. 2

Write in brief the meaning of convertible debentures. [2]
परिवर्तनशील ऋणपत्रको अर्थ छोटकरिमा लेख्नुहोस् ।

4. 2065 Q.No. 2

What do you understand by debenture? State any two features of debenture. [3]
ऋणपत्र भन्नाले के बुझ्नुहुन्छ ? यसका कुनै दुई विशेषताहरूको उल्लेख गर्नुहोस् ।

NUMERICAL QUESTIONS**5. 2073 Set C Q.No. 12**

N. Company Limited issued 5,000, 10% debentures of Rs. 200 each at 5% discount, redeemable at 5% premium.

Required: Entries for issuance and redemption of debentures. [4]

Ans: Premium on redemption of debentures Rs., 50,000

6. 2073 Set D Q.No. 12

A Company Ltd. issued 5,000 10% debentures of Rs. 100 each at 10% premium to be redeemed after 5 years at par.

Required: Journal entries for issue and redemption of debentures. [2+2=4]

Ans: Premium on issue of debenture = Rs. 50,000

7. 2072 Supp Q.No. 12

Nepal company Ltd. issued 4,000, 7% debentures of Rs. 1000 each. These debentures are redeemable after 10 years with 5% premium.

Required: Journal entries for issue and redemption of debentures. [4]

Ans: Premium on redemption of debenture Rs. 200,000

8. 2072 Set C Q.No. 12

ABC company Ltd issued 10,000, 10% debenture of Rs.20 each at 10% discount and redeemable at 10% premium after 5 years.

Required: Entries for issuance and redemption of debentures. [4]

Ans: Discount on issue of debenture = Rs. 20,000, Premium on redemption of debenture = Rs. 20,000

9. 2072 Set D Q.No. 12

B company Ltd. issued 5,000, 5% debentures of Rs.100 each at a discount of 10% to be redeemed at a premium of 10% after 10 years.

Required : Journal entries for issue and redemption of debentures. [4]

Ans: Discount on issue of debenture = Rs. 50,000; Premium on redemption of debenture = Rs. 50,000

10. 2072 Set E Q.No. 12

A company issued 10,000, 10% debentures of Rs.100 each at 5% premium redeemable after 5 years.

Required: Journal entries for issuance and redemption of debentures. [4+2]

Ans: Premium on issue of debenture = Rs. 50,000

11. 2071 Supp Q.No. 12

A Co. Ltd issued 2,000, 10% debentures of Rs.100 each at par to be redeemable after 3 years at a premium of 5%.

Required: Entries for issue and redemption of debenture. [2+2]

Ans: Premium on redemption of debenture = Rs. 10,000

12. 2071 Set C Q.No. 12

Honda Company Ltd issued 5,000; 10% Redeemable debentures of Rs. 1000 each at 5% discount, redeemable after three years at 10% premium.

Required: Journal entries for issue and redemption of debenture [4]

Ans: Premium on redemption Rs. 500,000

13. 2071 Set D Q.No. 12

A Company Ltd. issued 10,000, 10% debenture of Rs. 10 at 10% discount redeemable at 10% premium after 5 years.

Required: Entries for issue and redemption of debenture [4]

Ans: Premium on redemption of debenture a/c Rs. 10,000

14. 2070 Supp Q.No. 12

A company Ltd. issued 2000, 10% debenture of Rs. 100 each at 5% discount; to the redeemable at 10% premium after 10 years.

Required: Journal entries for issue and redemption of debenture. [4]

Ans: Loss on issue of debenture = Rs. 20,000

15. 2070 Set C Q.No. 12

A limited company issued 15,000, 7% debentures of Rs. 100 each at 10% discount redeemable at par. Subsequently it is redeemed by converting into equity shares of Rs. 100 each at par.

Required: [4]

- Entry for issued of debenture
- Entry for converting debentures into shares

Ans: Discount on issue of debenture Rs. 150,000

16. 2070 Set D Q.No. 12

A Company Limited redeemed 12,000, 8% debentures of Rs. 100 at par, which were issued at 10% premium, by converting them into equity shares of Rs. 100 each issued at par.

Required: Entries for issue of debentures and conversion of debentures into shares. [2+2]

Ans: Premium on issue of debenture Rs. 120,000

17. 2069 Supp Set A Q.No. 12

A company limited issued 5000, 10% Debentures at 5% discount. These debentures were redeemed after 5 years at 10% Premium.

Required: Journal Entries for issued and redemption of debentures. [4]

Ans: Loss on issue of debenture Rs. 50,000

18. 2069 Supp Set B Q.No. 12

A company Limited issued 2,000, 12% debentures of Rs. 100 each at 5% premium and redeemable at 10% premium.

Required: Journal Entries for issue and redemption of debentures [2+1+1=4]

Ans: Loss on issue of debenture Rs. 20,000

19. 2069 (Set A) Q.No. 12

GK Company Limited issued 15000, 8% debentures of Rs. 100 each at 10% premium to be redeemable at 5% premium after 12 years.

Required: Entries for issue and redemption of debentures. [4]

Ans: Loss on issue of debenture Rs. 75,000

20. 2069 (Set B) Q.No. 12

A Co. Ltd. issued 4,000, 12% Debentures of Rs. 100 each at a 10% discount to be redeemable at a premium of 5% after 10 years.

Required: Journal entries for issue and redemption of debentures. [4]

Ans: Loss on issue of debenture Rs. 20,000

21. 2068 Q.No. 12

ABC Company Limited issued 10,000, 10% debentures of Rs. 100 each at a premium of 5%, to be redeemable at a discount of 5% after 10 years.

Required: Journal entries for issuance and redemption of debentures. [4]

Ans: Premium on issue of debenture Rs. 50,000

22. 2068 Supp Q.No. 12

A Company limited issued, 2000, 10% Debentures of Rs. 100 each at discount of 10%. The debentures were redeemed after 5 years at par.

Required: Journal entries for issue and redemption of debentures [4]

Ans: Discount on issue of debenture Rs. 20,000

23. 2067 Q.No. 12

'A' and 'A' Co. issued 5,000 10% debentures of Rs.100 each at a premium 5% to be redeemable at the end of 10 years at a premium of 10%.

Required: Entries for (a) Issued of debenture. (b) Redemption of debenture. [3]

Ans: Loss on issue of debenture Rs. 50,000

24. 2067 Supp Q.No. 12

S Co. Ltd. issued 1,000, 15% debentures of Rs. 100 each at a discount of 10% to be redeemable at a premium of 5% after 7 years.

Required: Journal entries for issue and redemption of debentures. [2+1+1]

Ans: Loss on issue of debenture Rs. 5,000

25. 2066 (C) Q.No. 12

Rs. 1,000, 10% debentures of Rs. 100 each issued at par and redeemable at 5% premium after 5 years.

Required: Journal entries for issue and redemption of debentures. [3]

Ans: Loss on issue of debenture Rs. 5,000

26. 2066 Q.No. 12

A Company Ltd. issued 6000, 10% Debenture of Rs. 100 each at par. These debentures were redeemed after 5 years at 5% premium.

Required: Journal entries at the time of their issue and on redemption. [2+2]

Ans: Loss on issue of debenture Rs. 30,000

27. 2066 Supp Q.No. 12

J Company Ltd. issued 1500, 8% debentures of Rs. 100 each. These debentures are redeemable after seven years with 5% premium.

Required: Journal entries for issue and redemption of debentures.

Ans: Loss on issue of debenture Rs. 7,500

28. 2065 Q.No. 11

A Company Limited took over the following assets and liabilities of B. Company Limited at an agreed purchase price of Rs. 4,50,000:

Machinery	Rs. 4,10,000	Furniture	Rs. 40,000
Stock	Rs. 75,000	Sundry creditors	Rs. 30,000
Outstanding expenses	Rs. 15,000		

The company paid the purchase consideration by issuing 8% debentures of Rs. 100 each at 10% discount.

Required: Journal entries.

[3]

Ans: Capital reserve Rs. 30,000

29. 2065 Q.No. 12

M. Company Limited issued 3,000, 8%, 6 years debentures of Rs. 100 each at a discount of 5% and redeemable at a premium of 10%.

Required: Journal entries for issue and redemption of debentures.

[4]

Ans: Loss on issue of debenture Rs. 30,000

30. 2065 Q.No. 4 (Old)

A Co. issued 1,000; 12% debenture of Rs. 100 each at par, redeemable at the end of 5 years at a premium of 10%.

Required: Journal entry for issue of debentures.

[2]

Ans: Loss on issue of debenture Rs. 10,000

31. 2064 Q.No 12

A Co. Ltd issued 5,000, 10% debentures of Rs. 100 each at a premium of Rs. 10 per debenture. These debentures were redeemed after 5 years with 5% premium.

Required: Journal entries at the time of issues and on redemption of debentures.

[4]

Ans: Loss on issue of debenture Rs. 25,000

32. 2064 Q.No 4 (OLD)

A co. issued 2000, 10% debentures of Rs. 100 each at a premium of 10%, and redeemable at the end of 5 years at a premium of 5%.

Required: Journal entry for issue of debentures.

[2]

Ans: Loss on issue of debenture Rs. 10,000

33. 2064 Supp. Q.No. 12

A company issued 1,000, 10% debentures of Rs. 100 each at a discount of 10%, redeemable at a premium of 5% after 10 years.

Required: Journal entries for issue and redemption of debentures.

[4]

Ans: Loss on issue of debenture Rs. 5,000

34. 2063 Q.No. 4

Amar Co. issued 5,000, 8% debentures of Rs. 100 each at a premium of 5% payable at a premium of 6% after 10 years.

Required: Journal entry for debenture issued.

[2]

Ans: Loss on issue of debenture Rs. 30,000

35. 2062 Q.No. 4

A Company Ltd., issued 1000 10% Debentures of Rs. 100 each at a discount of 10% payable at a premium of 5% after 5 years.

Required: Journal entries of debenture issued.

[2]

Ans: Loss on issue of debenture Rs. 5,000

36. 2061 Q.No. 4

A Company issued the following debenture: 1000, 10% Debenture of Rs. 100 each at a discount of 5% but payable at a premium of 10% after 10 years.

Required: Journal entries of debenture.

[2]

Ans: Loss on issue of debenture Rs. 10,000

37. 2060 Q.No. 4

A company limited issued 500, 10% Debentures of Rs. 100 each at a discount of 10% and redeemable at the end of 5 years at a premium of 5%.

Required: Journal entries for issue of debenture.

[2]

Ans: Loss on issue of debenture Rs. 2,500

38. 2060 SUPP. Q.No. 4

Phewa Co. Ltd. issued 1,000, 10% debentures of Rs. 1,000 each at a discount of 5%, redeemable after four years at a premium of 2.5%. All debentures were subscribed and paid up.

[2]

Ans: Loss on issue of debenture Rs. 25,000

4. FINAL ACCOUNT OF A COMPANY**THEORETICAL QUESTIONS****1. 2072 Supp Q.No. 4**

Write what you know about current assets and current liabilities.

[2]

चालु सम्पत्ति र चालु दायित्वबारे आफ्नो जानकारी लेख्नुहोस् ।

2. 2072 Set C Q.No. 4

Write the meaning of current assets with suitable example.

[2]

चालु सम्पत्तिको उपयुक्त उदाहरण सहित अर्थ लेख्नुहोस् ।

3. 2071 Set D Q.No. 3

Write the meaning of fixed assets and current assets.

[3]

स्थिर पूँजी र चालु पूँजीको अर्थ लेख्नुहोस् ।

4. 2070 Set D Q.No. 3

Write briefly on fixed assets and current assets.

[3]

स्थिर सम्पत्ति र कार्यशील सम्पत्तिका बारेमा छोटकरीमा लेख्नुहोस् ।

5. 2066 Supp Q.No. 3

Write the short notes on: (छोटकरीमा लेख्नुहोस्)

[3]

a. Fixed assets (स्थिर सम्पत्ति) b. Current assets (चालु पूँजी)

6. 2063 Q.No. 15

Define balance sheet and write any two importance of it.

[1+2]

बासलातको परिभाषा दिई यसका कुनै दुई महत्वहरू लेख्नुहोस् ।

7. 2062 Q.No. 6

Write two advantages of trial balance.

[2]

सन्तुलन परिक्षणका दुई फाइदाहरूबारे लेख्नुहोस् ।

NUMERICAL PROBLEMS**8. 2073 Set C Q.No. 13**

Trial balance of a limited company as on December 31, 2015 is given below:

Particulars	Debit (Rs)	Credit (Rs.)
Purchases	5,00,000	
Wages	40,000	
Opening stock	1,00,000	
Carriage outward	5,000	
Machinery	3,00,000	
Furniture	1,00,000	
Debtors	1,00,000	

Discount	15,000	
Insurance	25,000	
Cash	55,000	
Rent	40,000	
Salaries	60,000	
Sales		9,00,000
Share capital		2,00,000
10% Debentures		1,00,000
Purchase return		5,000
Creditors		50,000
Commission		15,000
Reserve		10,000
P/L appropriation account		60,000
	13,40,000	13,40,000

Additional information:

- Closing stock Rs. 1,20,000
- Wage payable Rs. 10,000
- Depreciation on machinery at the rate of 10%
- Commission received in advance Rs. 3,000
- Provision for tax Rs. 20,000
- Proposed dividend @ 10%

Required:

- Trading account
- Profit and loss account
- P/L appropriation account
- Balance sheet

[3+4+1+4= 12]

Ans: (a) Gross profit Rs. 375,000 (b) Net profit Rs. 182,000 (c) Balance Rs. 222,000
(d) B/S Total Rs. 645,000

9. 2073 Set D Q.No. 14

A trial balance of a company as on Chaitra 31 is as under:

Debit	Rs.	Credit	Rs.
Opening stock	1,00,000	Share capital	10,00,000
Machinery	5,00,000	Sales	15,39,000
Building	10,00,000	Purchase return	5,000
Cash	50,000	Advance commission	20,000
Purchase	7,00,000	Creditors	1,00,000
Debtors	1,00,000	Reserve fund	1,50,000
Wages	1,50,000	Profit and loss account	1,26,000
Salary	2,00,000		
House rent	80,000		
Insurance	10,000		
Closing stock	50,000		
	29,40,000		29,40,000

Additional Information:

- Provide depreciation on machinery 10%
- Prepaid rent Rs. 10,000
- Write off Rs. 5,000 as bad debts and make a provision for bad debt at 5%.
- Outstanding wages Rs. 10,000
- Dividend proposed at 10% on share capital

Required:

[3+4+1+4=12]

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet

Ans: (a) GP Rs. 584,000 (b) NP Rs. 244,250 (c) Balance Rs. 270,250 (d) B/S Total Rs. 16,50,250

10. 2072 Supp Q.No. 14

The Trial Balance of a company Ltd. as on 31st Chaitra last year is given below:

Particulars	Dr. (Rs.)	Particulars	Cr. (Rs.)
Opening stock	1,80,000	Sales	5,00,000
Wages	70,000	Creditors	1,98,000
Salaries	20,000	Profit and loss appropriation account	
Purchases	3,00,000	10% Debentures	1,00,000
Printings	5,000	Share capital	2,00,000
Rent	20,000	Interest on investments	4,00,000
Trade expense	5,000		10,000
Bank charges	8,000		
Machinery	1,50,000		
Insurance	10,000		
Carriage	15,000		
Cash in hand	10,000		
Furnitures	60,000		
10% investment	1,00,000		
Advertisement	10,000		
Land and building	4,00,000		
Debtors	35,000		
Interest on debentures	10,000		
Total	14,08,000	Total	14,08,000

Additional Information:

- Closing stock Rs. 2,00,000.
- Pre-paid insurance Rs. 2,000
- Depreciate machinery 10%
- Bad debts Rs. 5,000
- Dividend proposed Rs. 5%

Required:

- Trading Account
- Profit and Loss Account
- Profit and Loss Appropriation Account
- Balance Sheet

[3+4+1+4]

Ans: GP = Rs. 1,35,000, NP = Rs. 29,000, P/L Appro. = Rs. 1,09,000, B/S Total = Rs. 9,37,000

11. 2072 Set C Q.No. 14

The Trial Balance of ABC company Ltd. as on 31st Ashadh, 2070 is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Opening stock	3,00,000	Share capital	6,00,000
Purchases	6,00,000	5% Loan	1,00,000
Furniture	80,000	Purchase return	1,000
Equipments	2,00,000	Sales	12,00,000
Wages	40,000	Profit and loss balance	2,20,000
Salaries	1,60,000	Commission	2,000
Stationeries	50,000	Creditors	1,20,000
Telephone and Electricity	120,000		
Discount	20,000		
Land and Building	3,00,000		
Plant & Machinery	1,00,000		
Debtors	1,60,000		
Interest	3,000		
House rent	60,000		
Cash in hand and Bank	50,000		
Total	22,43,000	Total	22,43,000

Additional information

- Closing stock Rs. 2,00,000
- Depreciate on machinery 10%

- iii. Appreciation of land and building 5%
 iv. Provision for bad debts 5% on debtors
 v. Proposed dividend 10% on share capital
 vi. Outstanding for salary Rs.5,000 and interest Rs.2,000

Required:

[3+4+1+4=12]

- a. Trading Account b. Profit and Loss Account
 c. Profit and Loss Appropriation Account d. Balance sheet

Ans: GP = Rs. 461,000, NP = Rs. 40,000, P/L Appro. = Rs. 200,000, B/S Total = Rs. 1,087,000

12. 2072 Set D Q.No. 14

The Trial Balance of Co. Ltd. as on 31st Chaitra last year is given below:

Particulars	Debit Rs.	Particulars	Credit Rs.
Machinery	5,00,000	Sales	6,00,000
Opening stock	1,00,000	Share capital	4,00,000
Salaries	50,000	Reserve fund	1,00,000
Purchases	4,00,000	Creditors	75,000
Wages	80,000	Commission	20,000
Debtors	1,40,000	10% debentures	2,00,000
Discount	10,000	Profit and loss appropriation account	50,000
Insurance	15,000		
Rent	20,000		
Investments	50,000		
Carriage	10,000		
Cash balance	70,000		
Total	14,45,000	Total	14,45,000

Additional information

- i. Closing stock Rs.2,50,000
 ii. Wages outstanding Rs.10,000
 iii. Prepaid insurance Rs.5,000
 iv. Provision for tax is to be made at Rs.20,000
 v. Dividend proposed at 5%

Required :

[3+4+1+4=12]

- a. Trading account b. Profit and loss account
 c. Profit and loss appropriation account d. Balance sheet

Ans: GP = Rs. 250,000, NP = Rs. 140,000, P/L Appro. = Rs. 170,000, B/S Total = Rs. 10,15,000

13. 2072 Set E Q.No. 14

The Trial Balance of a company as on Chaitra 31, 2070 is as under:

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
Opening stock	1,00,000	Sales	10,00,000
Purchases	5,00,000	10% Debentures	2,00,000
Fixed Assets	4,00,000	Interest on investment	15,000
Debtors	50,000	Outstanding wages	10,000
Wages	1,00,000	Creditors	20,000
Salaries	1,50,000	Profit & Loss Account	70,000
Rent	60,000	Share Capital	3,00,000
Bad debts	5,000	Commission received	5,000
Interest on Debentures	20,000		
Carriage	15,000		
Custom duty	5,000		
Cash	55,000		
Investments	1,50,000		
Preliminary expenses	10,000		
Total	16,20,000	Total	16,20,000

Additional information

- i. Closing stock Rs.1,00,000
 ii. Depreciation on fixed assets @ 10%
 iii. Bad debt provision to be made at 5%
 iv. The whole amount of advance commission is earned
 v. Write off the preliminary expenses fully
 v. Proposed dividend on capital at 10%

Required:

[3+4+1+4=12]

- a. Trading Account b. Profit and Loss Account
 c. Profit and Loss Appropriation Account d. Balance Sheet

Ans: GP = Rs. 380,000, NP = Rs. 112,500, P/L Appro. = Rs. 152,500, B/S Total = Rs. 712,500

14. 2071 Supp Q.No. 14

The Trial Balance of a company as on 31st Chaitra is as under:

Particulars	Dr (Rs.)	Particulars	Cr (Rs.)
Opening stock	100,000	Share capital	3,00,000
Purchase	10,00,000	General Reserve	60,000
Salaries	40,000	Bills payable	60,000
Carriage inward	5,000	Creditors	100,000
Machinery	200,000	Sales	12,00,000
Furniture	50,000	Profit & Loss A/c	100,000
Investment	50,000		
Cash at bank	80,000		
Debtors	100,000		
Sundry expenses	30,000		
Rent	30,000		
Bills receivable	35,000		
Wages	1,00,000		
Total	18,20,000	Total	18,20,000

Additional information

- i. Closing stock: Rs.4,00,000
 ii. Depreciate Machinery and Furniture: at 10%
 iii. Outstanding salaries: Rs.25,000
 iv. Proposed dividend: 15%
 v. Make a provision of Rs.5000 for doubtful debt.
 vi. General reserve to be increased by Rs.10,000.

Required:

- a. Trading Account b. Profit & Loss Account
 c. Profit & Loss Appropriations Account d. Balance sheet as on 31st Chaitra [3+4+1+4]

Ans: GP = Rs. 395,000, NP = Rs. 240,000, P/L Appro. = Rs. 285,000, B/S Total = Rs. 885,000

15. 2071 Set.C Q.No. 14

Trail balance of XYZ Co. Ltd as on December 31, 2012 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Purchase	1,00,000	Share capital	5,99,000
Opening stock	50,000	Creditors	1,00,000
Debtors	30,000	Reserve	40,000
Building & land	3,50,000	Sales	3,00,000
Equipments	1,50,000	10% Bank loan	50,000
Furniture	70,000		
Salaries	50,000		
Wages	30,000		
Rent	30,000		
Bad debts	3,000		
Interest paid	5,000		
Audit fee	8,000		

Carriage inwards	3,000		
Bank balance	50,000		
Closing stock	1,60,000		
Total	10,89,000	Total	10,89,000

Additional Information:

- Wages outstanding Rs. 1,500
- Salary prepaid Rs. 2,000
- Depreciate equipment by 10% and Furniture by 15%
- Make a provision for Tax Rs. 5,000
- Proposed dividend 5% on share capital

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet

[3 + 4 + 1 + 4 = 12]

Ans: (a) GP Rs. 1,15,500, (b) NL Rs. 9,000, (c) P/L appropriation a/c Rs. 1,050 (d) Total Rs. 786,500

16. 2071 Set D Q.No. 14

The Trial Balance of A Company Ltd, as on Ashadh 31, 2068 is given below:

[6+2+4=12]

Particulars	Debit Rs.	Particulars	Credit Rs.
Salaries & wages	50,000	Equity share 25000 of Rs. 10	2,50,000
Director's Fees	2,000	8% debenture	50,000
Interest on debentures	2,500	Provision for taxation for last	
Auditor's Fees	3,250	year	50,000
Sundry expenses	80,000	Sundry Creditors	27,500
Discount on shares	2,000	P/L Appropriation A/C	5,000
Cash at Bank	43,750	Gross profit	2,50,000
Sundry Debtors	70,000	Interest on Investment	3,500
Closing stock	1,00,000		
Investment	1,15,000		
Vehicle	15,000		
Furniture	2,500		
Building	150,000		
Total	6,36,000	Total	6,36,000

Additional Information

- Provide 10% depreciation p.a. on Fixed Assets.
- Provide Rs. 40,000 for tax liability for the year.
- Dividend proposed @ 20% for the year
- Provide Rs. 1500 for interest receivable on investments.

Required:

- Profit & loss account
- Profit and loss appropriation account
- Balance sheet

Ans: (a) NP Rs. 60,000, (b) P/L Appro. Rs. 15,000 (c) Total Rs. 483,000

17. 2070 Supp Q.No. 15

The Trial Balance of a company as on 31 Chaitra is given below.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	40,000	Share capital	350,000
Purchases	440,000	Creditors	50,000
Debtors	100,000	5% debenture	100,000
Machinery	130,000	Provision for bad debts	4,000
Cash balance	50,000	P/L appropriation	42,000
Goodwill	20,000	Sales	687,000
General expenses	55,000		
Wages	60,000		
Rent	40,000		
Salaries	80,000		
Carriage	10,000		

Building and premises.....	200,000	
Debenture interest.....	2,000	
Bad debts	6,000	
Total	12,33,000	12,33,000

Additional information:

- Wages due: Rs. 8,000
- Prepaid salaries: Rs. 2,000
- Provision for bad debts to be maintained at 5%
- Proposed dividend @ 15% on paid up capital
- Closing stock: Rs. 70,000

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet [3+4+1+4]

Ans: (a) GP Rs. 199,000 (b) NP Rs. 14,000 (c) P/L appropriation a/c Rs. 3,500 (d) Total B/S Rs. 567,000

18. 2070 Set C Q.No. 14

Trial balance of a limited company as on December 31, 2011 is given below.

Particulars	Debit (Rs.)	Credit (Rs.)
Opening stock	60,000	
Purchases	600,000	
Wages and Salary	100,000	
Carriage outward	20,000	
Debtors	100,000	
Land and building	600,000	
Equipment	300,000	
Cash balance	10,000	
Discount	5,000	
Stationery	25,000	
Communication expenses	20,000	
Miscellaneous	40,000	
Closing stock	50,000	
Sales		11,50,000
Purchase returns		5,000
Share capital		5,00,000
7% debentures		1,00,000
Creditors		68,000
Provision for bad debts		5,000
Commission		12,000
Profit and loss appropriation account		90,000
Total	19,30,000	19,30,000

Additional Information:

- Depreciation to be provided on equipment at 10%
- Provision for bad debts to be increased by 2%
- Interest on debentures is outstanding.
- Commission received in advance Rs. 2,000.
- Provision for dividend at 5% on paid up capital.

Required:

- Trading Account
- Profit and Loss Account
- Profit and loss appropriation account
- Balance sheet

Ans: GP Rs. 3,95,000; NP Rs. 2,57,900; P/L app. a/c Rs. 3,22,900; B/S total 10,24,900

19. 2070 Set D Q.No. 14

Trial Balance of a Limited Company as on Ashadh 31, 2068 is given below:

Particulars	Debit (Rs.)	Credit (Rs.)
Opening stock	50,000	
Purchases	5,50,000	
House rent	1,20,000	
Carriage	50,000	
Sales return	10,000	
Salary & wages	1,50,000	
Debtors	1,00,000	
Bad debts	3,000	
Equipments	2,00,000	
Machinery	2,50,000	
Furniture	97,000	
Share capital		4,00,000
8% Debentures		1,00,000
Profit & loss appropriation account		40,000
Calls in advance		10,000
Creditors		50,000
Provision for bad debts		5,000
Sales		11,10,000
Cash	60,000	
Travelling expenses	40,000	
Commission & discount	10,000	
Miscellaneous	25,000	
Total	17,15,000	17,15,000

Additional Information

- Value of closing stock Rs. 75,000
- Depreciation to be provided on equipment at 10 percent.
- Interest on debentures is outstanding
- Salary paid in advance Rs. 10,000.
- Provision for dividend at 5 percent on paid up capital.

Required:

- Trading account
- Profit & loss account
- Profit and loss appropriation account
- Balance sheet

[3+3+1+5]

Ans: (a) GP Rs. 525,000, (b) NP Rs. 164,000, (c) P/L appro. a/c Rs. 184,000, (d) Total Rs. 772,000

20. 2069 Supp Set A Q.No. 13

The Trial Balance of A Co. Ltd as on 31st Ashadh of previous year is given below.

Debit	Rs.	Credit	Rs.
Opening Stock (1st Shrawan)	1,20,000	Share Capital (Rs. 100 per share)	2,00,000
Purchases	5,00,000	Reserve fund	30,000
Furnitures	40,000	Profit & Loss Account	20,000
Rent	10,000	Discount	5,000
Plant & Machinery	60,000	Sales	7,00,000
Bills Receivable	10,000	Bills payable	15,000
Carriages	20,000	Creditors	30,000
Salaries	50,000		
Sundry Expenses	20,000		
Dividend paid for last year	20,000		
Debtors	90,000		
Cash at Bank	60,000		
	10,00,000		10,00,000

Additional Information:

- Closing balance of stock Rs. 1,30,000.
- Depreciate Plant and Furniture by 10%.

- iii. Provision made for income tax Rs. 30,000.
iv. Allow proposed dividend at 15%.

Required:

- a. Trading Account
c. Profit and Loss Appropriation Account
- b. Profit and Loss Account
d. Balance Sheet
- [3+4+2+3=12]

Ans: GP Rs. 190,000; NP Rs. 75,000; P/L app. a/c Rs. 45,000; B/S total Rs. 380,000

21. 2069 Supp Set B Q.No. 14

The Trial Balance of a company as on 31 Chaitra 2068 is given below:

Debit	Rs.	Credit	Rs.
Opening Stock	60,000	Sales	3,50,000
Purchases	2,00,000	Share capital	1,00,000
Salaries	40,000	Profit and Loss Account	50,000
Rent	20,000	10% Loan	60,000
Wages	25,000	Creditors	50,000
Machinery	1,80,000	Purchase return	10,000
Debtors	50,000		
Carriage	5,000		
Insurance	7,000		
Interest on Loan	3,000		
Bad debts	4,000		
Cash	16,000		
Goodwill	10,000		
	6,20,000		6,20,000

Additional information:

- i. Closing stock was Rs. 1,50,000
ii. Wages due Rs. 5,000
iii. Pre-paid insurance was Rs. 2,000
iv. Depreciate Machinery by 10%
v. Proposed dividend @ 10%

Required:

- a. Trading account
c. P/L Appropriation account
- b. P/L account
d. Balance sheet
- [3+4+1+4=12]

Ans: (a) GP Rs. 215,000 (b) NP Rs. 122,000 (c) Rs. 162,000 (d) Rs. 390,000

22. 2069 (Set A) Q.No. 15

Trial Balance of B Limited Company as on Ashadh 31, 2067 is given below:

Particulars	Rs.	Particulars	Rs.
Opening stock	1,00,000	Sales	28,00,000
Purchases	15,00,000	Creditors	1,00,000
Wages	1,50,000	10% debentures	4,00,000
Sales return	20,000	General reserve	1,50,000
Salary	5,50,000	Share capital	14,00,000
House rent	1,50,000	Profit and loss account	2,40,000
Bad debts	10,000	Interest on debentures payable	10,000
Interest on debentures	30,000		
Insurance	40,000		
Fixed assets	22,00,000		
Debtors	2,00,000		
Preliminary expenses	30,000		
Cash and bank	1,20,000		
Total	51,00,000	Total	51,00,000

Additional information:

- i. Closing stock valued: Rs. 2,25,000
ii. Appreciation on fixed assets at 10%
iii. Preliminary expenses to be written off by Rs. 10,000

- iv. Bad debts provision to be made at 5%.
v. Proposed dividend on share capital at 5%

Required:

- a. Trading account
b. Profit and loss account
c. Profit and loss appropriation account
d. Balance sheet

[3+4+1+4 = 12]

Ans: (a) GP Rs. 12,55,000, (b) NP Rs. 6,75,000 (c) P/L appro. a/c Rs. 8,45,000 (d) Total Rs. 29,75,000

23. 2069 (Set B) Q.No. 14

The Trial Balance of a company as on 31 Chaitra is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	30,000	Sales	6,50,000
Purchase	3,50,000	Share capital	4,00,000
Rent	20,000	10% Debentures	1,00,000
Wages	50,000	Creditors	30,000
Calls in arrears	10,000	Provision for bad debts	6,000
Carriage	20,000	P/L appropriation	34,000
Salaries	60,000		
Debenture interest	5,000		
Debtors	90,000		
Machinery	1,50,000		
Land and building	3,00,000		
General expenses	35,000		
Bad debts	5,000		
Goodwill	50,000		
Cash	45,000		
Total	12,20,000	Total	12,20,000

Additional information:

- i. Closing stock valued at Rs. 50,000
ii. Provision for bad debts to be maintained at 5%
iii. Prepaid rent Rs. 2,000
iv. Wages due Rs. 10,000
v. Transfer to general reserve Rs. 20,000
vi. Proposed dividend @ 10% on paid up capital

Required:

- a. Trading account
b. Profit and loss account
c. Profit and loss appropriation account
d. Balance sheet

[12]

Ans: GP Rs. 2,40,000; NP Rs. 1,13,500; P/L Appr. a/c Rs. 88,500; B/S Rs. 6,82,500

24. 2068 Q.No. 14

The Trial Balance of a Limited Company as on Chaitra 31, 2066 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Opening stock	3,00,000	Sales	20,19,000
Purchase	9,00,000	8% debentures	3,00,000
10% Investment (Baishakh - 1)	3,00,000	Creditors	35,000
Fixed assets	7,00,000	Interest on investment	20,000
Debtors	1,10,000	Profit & loss account	1,30,000
Wages	2,00,000	Share capital	5,00,000
Salary	3,00,000	Wages outstanding	10,000
House rent	1,10,000		
Bad debts	10,000		
Interest on debenture	24,000		
Carriage outward	25,000		
Custom duty	5,000		
Cash balance	20,000		
Advance house rent paid	10,000		
Total	30,14,000	Total	30,14,000

Additional Information:

- Value of closing stock Rs. 250,000
- Depreciation on fixed assets is to be charged at 10%
- Make provision for doubtful debts at 5%
- Proposed dividend on capital at 10%
- Stock worth Rs. 50,000 is lost by fire and insurance company admitted the claim in full.

Required:

- Trading account
 - Profit and loss account
 - Profit and loss appropriation account
 - Balance sheet [3+4+1+4=12]
- Ans: (a) GP Rs. 9,14,000; (b) NP Rs. 3,99,500 (c) P/L appr. a/c Rs. 4,79,500; (d) B/S total Rs. 13,74,500

25. 2068 Supp Q.No. 13

The Trial Balance of a Company Ltd. As on 31st Ashadh of the previous year is given below:

Liabilities	Rs.	Assets	Rs.
Beginning Stock	30,000	Share Capital (Rs. 100 per share)	5,00,000
Rent & rates	30,000	10% Debentures	1,00,000
Purchases	2,90,000	Sales	8,00,000
Wages	1,00,000	Purchase Return	10,000
Carriage	25,000	Outstanding Salaries	20,000
Salaries	1,00,000	Creditors	70,000
Sundry debtors	1,50,000	Provision for Bad debt	5,000
Plant & Machinery	2,50,000	Profit & loss Appropriation	25,000
Land and Building	4,50,000		
Debenture interest	10,000		
Prepaid insurance	5,000		
Cash and Bank	50,000		
General Expenses	40,000		
	15,30,000		15,30,000

Additional Information:

- Ending balance of stock Rs. 30,000.
- Depreciate plant and Machinery by 10%
- Provision for bad debts to be increased by 5%.
- Provision made for income tax Rs. 25,000.
- General reserve made for Rs. 20,000.
- Allow proposed dividend at 10% on Share Capital.

Required:

- Trading Account
 - Profit and Loss Account
 - Profit and Loss Appropriation Account
 - Balance Sheet as at 31st Ashadh, last year [3+4+3+5]
- Ans: (a) GP Rs. 395,000 (b) NP Rs 164,750 (c) P/L appr. a/c Rs. 119,750 (d) B/s total Rs. 904,750

26. 2067 Q.No. 13

The Trial Balance of a Co. Ltd. as on 31st Chaitra, 2064 is given below:

Particulars	Dr.(Rs)	Particulars	Cr.(Rs.)
Salaries	50,000	Gross profit	1,50,000
Rent	40,000	Share capital	4,00,000
Discount	5,000	10% Debentures	1,00,000
Machinery	2,00,000	Commission	15,000
Debtors	50,000	Transfer fees	10,000
Land & building	3,00,000	Profit & loss account	50,000
Advertisement	20,000	Creditors	85,000
Stock	80,000	Provision for bad debts	10,000
Bad debts	2,000		
Cash	23,000		

Goodwill	40,000		
Insurance	10,000		
	8,20,000		8,20,000

Additional information:

- Outstanding rent for two months.
- Provision for bad debts to be maintained at 5%
- Appreciate land & Building by 10% depreciate machinery by 15%.
- Transfer to General Reserve Rs.5,000.
- Provide 10% dividend on paid up capital.

Required:

- Profit & loss Account
- Profit and loss Appropriation Account
- Balance Sheet.

[4 + 2 + 6 = 12]

Ans: (a) Net profit Rs. 37,500 (b) P/L appr. Rs. 42,500 (b) B/s total Rs. 690,500

27. 2067 Supp Q.No. 13The Trial Balance of a company as on 31st Chaitra, 2065 is given below:

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Purchases	3,00,000	Sales	5,00,000
Opening stock	1,00,000	10% Debentures	1,00,000
Debtors	20,000	Creditors	70,000
Salaries	50,000	Reserve	20,000
Rent	30,000	Interest on investment	2,000
Wages	40,000	Share capital	1,50,000
Machinery	2,00,000		
Dividend (2064)	10,000		
10% Investment	50,000		
Calls in arrears	10,000		
Bad debts	2,000		
Interest on debenture	5,000		
Insurance	10,000		
Carriage	8,000		
Cash	7,000		
	8,42,000		8,42,000

Additional Information:

- Closing stock valued at Rs. 2,10,000
- Wages outstanding Rs. 2,000
- Depreciate machinery by 10%
- Provision for tax is made 40% net profit
- Proposed dividend 10%

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet

[3+4+1+4]

Ans: (a) GP Rs. 2,60,000 (b) NP Rs. 85,800; (c) P/L appr. Rs. 81,800 (d) B/S total Rs. 4,70,000

28. 2066 (C) Q.No. 13The Trial Balance of A Co. Ltd. as on 31st, Chaitra, last year is given below:

Debit	Rs.	Credit	Rs.
Opening stock	20,000	Paid up capital	4,00,000
Purchases	3,20,000	(5,000 shares of Rs 80 per share)	
Wages	70,000	Sales	4,25,000
Salary	50,000	Purchase return	10,000
Discount	3,000	Discount and commission	4,000
Sundry debtors	25,000	Sundry creditors	20,000
Machinery	1,75,000	Short-term loan	50,000
Land and building	2,25,000	Provision for doubtful debt	1,000

Vehicles	75,000	Profit and loss-	
Furniture	20,000	Appropriation account	1,50,000
Income tax paid	5,000		
Cash at bank	30,000		
Carriage	7,000		
Sundry expenses	15,000		
Rent and rates	15,000		
Advance salary	5,000		
Total	10,60,000	Total	10,60,000

Additional Information:

- Closing stock Rs. 25,000
- Depreciation- Land and building 5%, machinery and furniture 10%
- Transfer Rs 20,000 to general reserve
- Provide 10% of dividend of paid up capital
- Wages outstanding Rs 5,000

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet [3+4+1+4]

Ans: (a) GP Rs. 38,000 (b) NL Rs. 70,750 (c) P/L appr. Rs. 19,250 (d) B/s total Rs. 5,54,250

29. 2066 Q.No. 13

The Trial Balance of A Company Ltd. as on 31 Chaitra, previous year is given below:

Debit	Rs.	Credit	Rs.
Opening stock	1,50,000	Sales	12,00,000
Purchases	7,60,000	Creditors	80,000
Carriage	30,000	Profit and loss appropriation a/c	20,000
Debtors	1,80,000	Capital:	
Building	4,00,000	7000 ordinary share of 100	7,00,000
Machinery	1,50,000	each	
Bank balance	30,000		
Investments	1,00,000		
Wages	50,000		
Salaries	1,50,000		
Total	20,00,000	Total	20,00,000

Additional information:

- Stock at close : Rs. 80,000
- Outstanding salaries : Rs. 10,000
- Depreciate: Building : 5%
Machinery : 10%
- Provide 10% on debtors for doubtful debts
- Proposed dividend @ 10% on share capital

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet as at Chaitra 31 previous year. [3+4+1+4]

Ans: (a) GP Rs. 2,90,000 (b) NP Rs. 77,000 (c) P/L appr. Rs. 27,000 (d) B/s total Rs. 8,87,000

30. 2066 Supp Q.No. 14

The Trial Balance of K Company Ltd. as on 31st Ashadh, last year, is given below.

Debit	Rs.	Credit	Rs.
Equipments	5,50,000	Share capital	6,00,000
Land & Building	6,00,000	Reserve fund	1,48,000
Opening Stock	30,000	Profit and Loss A/C	53,000
Salary	1,45,000	Creditors	84,000
Purchase	4,00,000	Sales	9,20,000
Wages	1,40,000	Advance house rent	20,000

Debtors	1,36,000	10% Debentures	3,00,000
Interest Paid	15,000		
Audit fee	7,000		
Sundry expenses	5,000		
Cash balance	47,000		
Closing stock	50,000		
Total	21,25,000	Total	21,25,000

Additional information:

- Out of advance house rent received Rs. 10,000 is treated as income.
- Wages paid in advance Rs. 5,000
- Provision for tax is to be made at Rs. 7,000.
- Provide depreciation at 10% on equipments.
- Dividend proposed at 5% on share capital.

Required:

[3+4+1+4]

- Trading account
- Profit and Loss account
- Profit and Loss appropriation a/c
- Balance Sheet as on Ashadh 31, Last year.

Ans: (a) GP Rs. 3,55,000; (b) NP Rs. 1,16,000; (c) P&L app a/c Rs. 1,39,000; (d) B/S Rs. 13,33,000

31. 2065 Q.No. 13

The trial balance of Prasanta Company Limited as on Chaitra 31, is given below:

Debit	Rs.	Credit	Rs.
Machinery	3,50,000	Share capital	5,00,000
Land and building	4,25,000	Profit and loss account	40,000
Opening stock	30,000	Reserve fund	98,000
Cash balance	20,000	Creditors	54,000
Purchases	3,50,000	Sales revenue	7,70,000
Debtors	41,000	Advance commission	10,000
Wages	90,000	Purchase returns	2,000
Salaries	95,000		
House rent	42,000		
Insurance	7,000		
Closing stock	24,000		
Total	14,74,000	Total	14,74,000

Additional information:

- Provide depreciation at 10% on machinery
- Written off Rs. 1,000 as bad debts and make a provision for bad debts at 5% on debtors.
- Provision for tax is to be made at Rs. 10,000
- Dividend proposed at 10% on share capital.

Required:

- Trading account
- Profit and loss account
- Trading and loss appropriation account
- Balance sheet as on that date. [3+4+1+4=12]

Ans: (a) GP Rs. 3,02,000 (b) NP Rs. 1,10,000 (c) P/L appr. Rs. 1,00,000 (d) B/S total Rs. 8,22,000

32. 2065 Q.No. 5 (Old)

A Company Ltd. was registered with an authorize capital of Rs. 6,00,000 divided into shares of Rs. 100 each, of which, 4,000 shares had been issued and fully paid. The following is the trial balance extracted on 31st Chaitra, last year:

Debit	Rs.	Credit	Rs.
Plant and machinery	1,10,000	Share capital	4,00,000
Furniture	70,000	General reserve	30,000
Investment	40,000	Bills payable	30,000
Patents and trademarks	20,000	Purchase return	40,000
Cash at bank	1,80,000	Accounts payable	70,000
Accounts receivable	1,00,000	Sales	13,60,000
Sundry expenses	28,000	Discount	12,000

Salaries	30,000	Profit and loss account	80,000
Carriage inward	4,000		
Purchases	9,80,000		
Opening stock	3,00,000		
Rent	20,000		
Bills receivable	20,000		
Wages	1,20,000		
Total	20,22,000	Total	20,22,000

Additional information:

- Closing stock was valued at Rs. 3,50,000.
- Depreciate plant and furniture by 10%, Patents by 5%
- Outstanding: Rent Rs. 5,000, Salaries Rs. 4,000.
- The directors proposed a dividend @ 15% per annum.
- General reserve to be increased by Rs. 6,000.
- Make a provision for doubtful account receivable of Rs. 2,000
- Allocate one-fourth of the profit as a provision for tax.

Required:

[3+4+2+6]

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet as on 31st Chaitra, last year.

Ans: GP Rs. 3,48,000; NP Rs. 1,87,500; P/L appr. a/c Rs. 201,500; B/S Total Rs. 869,000

33. 2064 Q.No 13The Trial Balance of A company as on 31st, Chaitra, last year is as under:

Debit	Rs.	Credit	Rs.
Beginning stock	50,000	Share capital, Rs. 100 each	5,00,000
Purchases	6,60,000	Creditors	60,000
Building	3,00,000	Profit and loss appropriation a/c	40,000
Machinery	50,000	Sales	9,00,000
Investment	2,00,000		
Carriage	30,000		
Salaries	50,000		
Debtors	1,00,000		
Cash at bank	20,000		
Wages	40,000		
Total	15,00,000	Total	15,00,000

Additional information:

- Provide depreciation on building at 10% and machinery at 5%.
- Provision for doubtful debt is to be made at 5% on sundry debtors.
- Outstanding salaries Rs. 5,500.
- Stock at end Rs. 60,000
- The directors proposed 10% dividend on share capital.

Required:

[3+4+1+4=12]

- Trading account
- Profit and Loss account
- Profit and Loss Appropriation account
- Balance sheet as on Chaitra 31st, last year.

Ans: Gross profit Rs. 1,80,000; Net profit Rs. 87,000; P/L appr. a/c Rs. 77,000; B/S total Rs. 6,92,500

34. 2064 Q.No 5 (OLD)The Trial Balance of Company as on Ashadh 31st, last year is given below:

Debit	Rs.	Credit	Rs.
Purchases	3,20,000	Sales	8,00,000
Opening stock	40,000	Share capital of Rs. 100 each.	5,00,000
Sales return	20,000	10% Debentures	1,00,000
Rent and rates	30,000	Creditors	20,000
Wages	1,20,000		
Carriage	30,000		

Salaries	70,000		
Discount	10,000		
Sundry debtors	90,000		
Plant and machinery	1,00,000		
Land and building	4,00,000		
Patent	1,00,000		
General expenses	40,000		
Bad debts	5,000		
Interest on debentures	10,000		
Prepaid insurance	8,000		
Cash at bank	27,000		
	14,20,000		14,20,000

Additional information:

- Make provision for tax Rs. 20,000
- Prepaid insurance expired Rs. 5,000
- Provide 5% on debtors for doubtful debts
- Closing stock valued Rs. 20,000
- Transfer to general reserve Rs. 25,000
- Directors proposed a dividend @ Rs. 10% on capital.
- Wages outstanding Rs. 10,000
- Appreciate land and building by 5% and depreciate plant and machinery by 10%

Required:

[4+4+2+5= 15]

- Trading account
- Profit and Loss account
- Profit and Loss Appropriation Account
- Balance sheet as on Ashadh 31st, last year.

Ans: (a) GP Rs. 2,80,000 (b) NP Rs. 95,500 (c) P/L app a/c Rs. 20,500 (d) B/S Total Rs. 7,45,500

35. 2064 Supp. Q.No. 13

The Trial Balance of a company as on 31st Chaitra, last year is given below:

Debit	Rs.	Credit	Rs.
Beginning inventory	2,00,000	Share capital	13,00,000
Purchases	6,00,000	Profit & loss appropriation a/c	1,40,000
Machinery	5,00,000	Sales	12,60,000
Building	10,00,000	Accounts payable	2,00,000
Accounts receivable	3,00,000	Calls in advance	40,000
Rent	50,000		
Salaries	70,000		
Carriage	50,000		
Wages	80,000		
Other indirect expenses	40,000		
Goodwill	50,000		
Total	29,40,000		29,40,000

Additional information:

- Wages of Rs. 20,000 still to be paid.
- Salary includes Rs. 20,000 paid in advance.
- Depreciate machinery by 10% and building by 5%.
- Closing stock was valued at Rs. 2,00,000
- Proposed dividend 10%.
- Transfer Rs. 50,000 general reserve

Required:

[3+3+2+4]

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet as on 31st Chaitra, last year.

Ans: (a) Gross profit Rs. 5,10,000 (b) Net profit Rs. 2,70,000 (c) P/L appr. Rs. 2,30,000 (d) B/S Rs. 19,70,000

36. 2063 Q.No. 5

The Trial Balance of Dev Co. Ltd. as on Ashadh 31, 2061 is given below:

Debit	Rs.	Credit	Rs.
Purchases	700,000	Paid up capital: 10,000 shares of Rs. 70 each	700,000
Opening stock	40,000	Sales	816,000
Wages paid	140,000	6% Debentures	200,000
Salary	100,000	Purchase return	20,000
Discount	5,000	Discount and commission	5,000
Sundry debtors	50,000	Sundry creditors	35,000
Plant and machinery	350,000	Short term loan	95,000
Land and building	450,000	Provision for doubtful debts	3,000
Vehicle	150,000	Profit and loss app. a/c	306,000
Furniture	40,000		
Income tax paid	10,000		
Bank balance	60,000		
Carriage inwards	15,000		
Sundry expenses	30,000		
Interest on debentures	7,500		
Rent and rates	30,500		
Advance salary	2,000		
Total	21,80,000	Total	21,80,000

Additional information:

- Value of closing stock Rs. 45,000
- Depreciate land and building by 5% plant and machinery and vehicle by 10% furniture by 15%.
- Provision for bad debts to be maintained at 5%
- Transfer Rs. 40,000 to General reserve
- Provide 10% dividend on paid up capital
- Wages outstanding Rs. 5,000
- Discount and commission includes Rs. 1,000 received in advance.

Required:

- Trading account
- Profit and loss account
- Profit and loss appropriation account
- Balance sheet

Ans: (a) GL Rs. 19,000 (b) NL Rs. 270,500 (c) P/L app a/c Rs. 74,500 (Dr.) (d) B/s Total Rs. 11,50,500 [3+4+2+6]

37. 2062 Q.No. 5

The Trial Balance of Birat Company Ltd is given below:

Particulars	Debit	Particulars	Credit
Purchases	500,000	Paid up capital:	
Opening Stock	50,000	10,000 equity shares of Rs. 50 each	500,000
Wages	130,000	Sales	800,000
Salaries	60,000	5% debentures	100,000
Discount	10,000	Purchase return	5,000
Sundry debtors	60,000	Discount	3,000
Plant & machinery	300,000	Sundry creditors	32,000
Land	200,000	Short term loan	50,000
Building	300,000	Provision for doubtful debts	2,000
Furniture	50,000	Profit and loss app. account	286,000
Income tax paid	20,000		
Cash at bank	40,000		
Carriage inwards	10,000		
General expenses	20,000		
Interest on debenture	2,500		
Rent and rates	25,500		
	1778,000		1778,000

Additional Information:

- Value of closing stock at the end Rs. 40,000
- Depreciate Building by 5% Plant and Machinery 10%, and Furniture by 20%
- Appreciate land by Rs. 50,000
- Provision for bad debts to be increased by 5%.
- Transfer Rs. 75,000 to General Reserve.
- The directors decided to pay dividend at 15% on paid up capital.
- The authorized capital of the company was Rs. 10,00,000
- Outstanding for expenses:
 - Wages Rs. 10,000
 - Salaries Rs. 10,000
 - Insurance Rs. 5,000
- Charge interest on debenture for whole year.

Required:

- Trading account
- Profit and Loss account
- Profit and loss appropriation account
- Balance sheet

[3+4+2+6]

Ans: (a) GP Rs. 145,000 (b) NP Rs. 7,400 (c) P/L app a/c Rs. 123,400 Or 143,400 (d) B/s total Rs. 982,900 Or 10,02,900

38. 2061 Q.No. 5

The Trial Balance of Niwas and Co. as on Ashadh 31, 2060 is given below:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Equity share capital (5000 shares) of Rs 100 each		5,00,000
8% Debentures		50,000
Sales		7,60,000
Calls in arrears	30,000	
Opening stock	20,000	
Rent and rates	25,000	
Purchases and purchases return	3,00,000	5,000
Wages	1,50,000	
Carriage	15,000	
Salaries	65,000	
Salaries outstanding		10,000
Discounts	10,000	5,000
Sundry debtors	1,00,000	
Plant and machinery	2,00,000	
Land and Building	3,00,000	
Patent	1,25,000	
General expenses.	30,000	
Bad debts	3,000	
Debenture interest	4,000	
Prepaid insurance	5,000	
Creditors		25,000
Bank overdraft		45,000
Advance commission received		10,000
Provision for doubtful debt		4,000
Cash at bank	48,000	
Profit and loss appropriation		16,000
	14,30,000	14,30,000

Additional information

- The authorized capital of the company was Rs. 7,50,000.
- Closing stock valued Rs. 15,000
- Appreciate Land and Building by 5% and depreciate plant and machinery by 10%.
- Provision for bad debts to be increased by 5%.
- Prepaid insurance expired-Rs. 3,000
- The whole amount of advance commission is earned.
- Provision made for income tax- Rs. 30,000