

## CORPORATE ACCOUNTING

1. Share allotment Account is
  - a) **Personal**
  - b) Real
  - c) Nominal
  - d) Real and nominal
2. Public Ltd companies cannot issue
  - a) Sweet Equity Shares
  - b) **Deferred Shares**
  - c) Preference shares
  - d) Equity shares
3. Capital Redemption Reserve is used
  - a) For writing of Capital losses
  - b) For issuing partly paid bonus share
  - c) **For issuing fully paid bonus share**
  - d) For writing of Capital assets
4. The allotment of shares in case of oversubscription is called....
  - A. **Pro-rata allotment**
  - B. Private Placement
  - C. Offer for sale
  - D. None of these
5. Call-in-arrear is shown
  - a) Under the head current liabilities
  - b) **By deducting from the called up capital**
  - c) Under the head current assets
  - d) deducting from paid up capital
6. Security premium account can be utilized for .....
  - A. Issuing fully paid bonus shares
  - B. Write off preliminary expenses
  - C. Write off underwriting commission
  - D. **All of these**
7. Preference shares can be redeemed by.....
  - A. Fresh issue of shares
  - B. Profit
  - C. Partly out of fresh issue and partly out of profit.
  - D. **All of these**
8. .... preference shares can be redeemed
  - A. Fully paid B. Partly paid
  - C. **Both A and B** D. None of these.
9. Profit available for dividend distribution is called .....
  - A. Capital profit B. Divisible profit
  - B. **Capital Reserve** D. None of these
10. The maximum allowable discount on Equity shares is

- a) **10%**
  - b) 8%
  - c) 5%
  - d) 6%
11. Dividend is usually paid on
- a) Called-up-capital
  - b) Nominal capital
  - c) **Paid-up-capital**
  - d) Uncalled capital
12. As per the SEBI's guidelines the minimum application money shall not be less than
- a) **25% of issue price**
  - b) 10% of the issue price
  - c) 6% of the issue price
  - d) 9% of the issue price
13. Capital Redemption Reserve Account can be Utilized for
- a) Writing off past losses
  - b) Writing off capital losses
  - c) **Issuing fully paid bonus shares**
  - d) Issuing fully paid shares
14. No call on the share shall exceed
- a) **1/4th of the nominal value**
  - b) 1/5th of the nominal value
  - c) None of the above
  - d) all of the above
15. Redeemable preference shares are redeemable
- a) **Within 20 years**
  - b) Within 7 years
  - c) Within 8 years
  - d) Within 7 years
16. When Share are issued to promoters for the services offered by them, it is debited to
- a) Preliminary Exp. Account
  - b) **Goodwill account**
  - c) Share Capital Account
  - d) Share allotment account
17. Authorized capital is called as.....
- A. Reserve capital
  - B. **Nominal Capital**
  - C. Capital Reserve
  - D. Subscribed capital
18. In case of ..... preference shares, the arrears of dividend are carried forward and paid out of the profits of the subsequent years.
- A. Participating
  - B. Convertible

**C. Cumulative**

D. Redeemable

19. A bundle of fully paid shares is called.....  
A. **Stock** B. Sweat Equity C. Warrant D. None of these
20. The shares of a company can be issued at .....  
A. Par B. Premium C. Discount D. **All of these**

**UNIT II**

21. ....is an instrument of acknowledgment of debt.  
A. Equity share  
B. Preference Share  
**C. Debenture**  
D. All of these
22. Debenture represents ..... Of a company  
**A. Borrowed capital**  
B. Owned capital  
C. Hybrid capital  
D. None of these
23. Debenture holders will get .....  
A. Dividend  
**B. Interest**  
C. Profit  
D. All of these
24. Debenture holders are the ..... of a company  
A. Debtors  
B. Owners  
**C. Creditors**  
D. Borrowers
25. A charge created not on specific assets but generally on all assets is known as.....  
A. Fixed charge  
B. Floating charge  
**C. Mortgage**  
D. None of these
26. .... debentures can be transferred only with the knowledge of the company.  
A. Naked  
B. Mortgage  
**C. Registered**  
D. Bearer
27. .... debentures are transferable by mere delivery  
A. Naked  
B. Mortgage  
C. Registered  
**D. Bearer**
28. ....debentures are secured by the assets of the company

- A. Naked
  - B. Mortgage**
  - C. Registered
  - D. Bearer
29. Unsecured debentures are called as ..... debentures
- A. Naked**
  - B. Mortgage
  - C. Registered
  - D. Bearer
30. FCD stands for .....
- A. Fixed Charge Debentures
  - B. Floating Charge Debentures
  - C. Fully Convertible Debentures**
  - D. None of these
31. When debentures are issued as a consideration of purchase of assets ..... Is debited.
- A. Debenture Account
  - B. Cash Account
  - C. Assets Account**
  - D. Creditor Account
32. Discount or loss on issue of debenture is a .....
- A. Capital Profit
  - B. Revenue Receipt
  - C. Capital Loss**
  - D. Revenue Expense
33. Discount or loss on issue of debenture is shown in the balance sheet under the head .....
- A. Reserves & Surplus
  - B. Secured loans
  - C. Current liabilities
  - D. Miscellaneous expenditure**
34. Debentures can be redeemed out of .....
- A. Fresh issue
  - B. Capital
  - C. Profit
  - D. All of these**
35. Interest on debenture is .....
- A. Adjustment of profit
  - B. Appropriation of Profit.
  - C. Charge on profit**
  - D. None of these
36. Debentures are shown in the balance sheet under the head .....
- A. Secured loans**
  - B. Unsecured loans
  - C. Provisions
  - D. Current liabilities

37. After realizing all the investments, the balance in the sinking fund account is transferred to .....
- A. Profit and Loss A/c
  - B. Debenture Account
  - C. Sinking fund, A/c
  - D. Capital reserve**
38. When own debentures are cancelled, any profit on cancellation is transferred to .....
- A. General Reserve
  - B. Capital Reserve**
  - C. Profit and Loss A/c
  - D. Debenture A/c
39. If the purchase price of debentures includes interest for the expired period, the quotation is said to be .....
- A. Ex-interest
  - B. Cum-interest**
  - C. Co-interest
  - D. None of these
40. If the purchase price of debentures excluding interest for the expired period, the quotation is said to be .....
- A. Ex-interest**
  - B. Cum-interest
  - C. Co-interest
  - D. None of these.

### UNIT III

41. Dividends are usually paid in \_\_\_\_\_
- a) Authorized capital
  - b) Subscribed capital
  - c) **Paid up capital**
  - d) Called up capital
42. Goodwill is shown in assets side of the company's Balance sheet under the heading of
- a) Fixed assets
  - b) Current assets
  - c) Investments
  - d) Miscellaneous expenditure.
43. Advance payment of tax is in the nature of \_\_\_\_\_
- a) Capital expense
  - b) revenue expense
  - c) prepaid expense
  - d) outstanding expense
44. In the liabilities side of the company's balance sheet, calls in arrears is shown \_\_\_\_\_
- a) Under the heading reserves and surplus
  - b) Under the heading current liabilities
  - c) Under the heading secured creditors
  - d) By subtracting the amount from the called up capital**

45. In the assets side of company's balance sheet, fictitious asset like discount on issue of debentures are shown under the heading \_\_\_\_\_
- a) Fixed assets   b) Investments   c) Current assets   d) **Miscellaneous expenditure**
46. Preliminary expenses are an example of \_\_\_\_\_
- a) Fixed asset   b) current asset   c) **Fictitious asset**   d) Investment
47. The maximum remuneration payable to a part time director should not exceed \_\_\_\_\_
- a) 1% of the annual profits  
b) **3% of the annual profits**  
c) 5 % of the annual profits  
d) 10 % of the annual profits
48. In the liabilities side of a company's balance sheet forfeited shares a/c balance is shown \_\_\_\_\_
- a) Under the heading current liabilities  
b) Under the heading unsecured creditors  
c) Under the heading reserves & surplus  
d) **By adding to the paid up capital**
49. Divisible profit does not include \_\_\_\_\_
- a) Reserve fund   b) P&L a/c balance   c) **Revaluation reserve**   d) Insurance fund
50. In the liabilities side of company's balance sheet, unclaimed dividend is shown under the heading \_\_\_\_\_
- a) Share capital  
b) **Current liabilities and provisions**  
c) Secured loan  
d) unsecured loan
51. The amount set aside to meet the loss of bad debts is a \_\_\_\_\_
- a) Reserve   b) liability   c) contingent liability   d) **Provision**
52. When the proposed dividend exceeds 20% of the paid up capital the percentage of profits to be transferred to reserve is \_\_\_\_\_
- a) **10%**   b) 7.5%   c) 5%   d) 2.5%
53. Interim dividend is always shown on \_\_\_\_\_
- a) P& L a/c  
b) **P& L app a/c**

- c) On asset side of balance sheet  
d) on liabilities side of balance sheet
54. Debentures are shown in the balance sheet under the heading \_\_\_\_\_  
a) Unsecured loan b) Current liabilities c) **Secured loan** d) Share capital
55. The surplus fund in P & L app. a/c is shown in the balance sheet under the head \_\_\_\_\_  
a) Share capital b) **Reserves & surplus** c) General reserve d) Reserve fund
56. According to company's act, the maximum total managerial remuneration should not exceed \_\_\_\_\_ of the net profit.  
a) **11%** b) 10 % c) 5% d) 3%
57. The dividend declared at any time between two annual general body meetings is termed as \_\_\_\_\_  
a) **Interim dividend** b) Proposed dividend c) Final dividend d) annual dividend
58. The part of the profits of a company which is distributed by the company among its shareholders by way return on shareholders is known as \_\_\_\_\_  
a) **Dividend** b) Bonus c) Right share d) Reserve
59. When the P & L a/c is divided into two parts i.e P & L a/c & P & L app a/c the items which are shown in the P & L A/c are termed appearing \_\_\_\_\_  
a) On the line b) **Abovetheline** c) Below the line d) not in the line
60. When the P & L a/c is divided into two parts i.e P & L a/c & P & L app a/c the items which are shown in the P & L App a/c are termed appearing \_\_\_\_\_  
a) On the line b) Above the line c) **Belowtheline** d) not in the line

#### UNIT IV

61. Goodwill is \_\_\_\_\_.  
a. **an intangible asset**  
b. a fixed asset  
c. realizable  
d. All of the above.
62. Goodwill is to be valued when \_\_\_\_\_.  
a. amalgamation takes place  
b. one company takes over another company  
c. a partner is admitted  
d. **all of the above**
63. Goodwill is paid for obtaining \_\_\_\_\_.  
a. **future benefit**  
b. present benefit  
c. past benefit  
d. none of the above
64. Super profit is \_\_\_\_\_.

- a. **excess of average profit over normal profit**
  - b. extra profit earned
  - c. average profit earned by similar companies
  - d. none of the above
65. Normal profit is \_\_\_\_\_.
- a. average profit earned
  - b. **profit earned by similar companies in the same industry**
  - c. (a) and (b)
  - d. none of the above
66. Normal profit depends on
- a) Normal Rate of Return
  - b) Average capital employed
  - c) **c)Both (a) and (b)**
  - d) None of the above
67. Goodwill as per purchase of average profit method is equal to \_\_\_\_\_.
- a. Average Profit
  - b. Average profit  $\times$  Amount of purchases
  - c. **Average Profit  $\times$  Number of years' purchases**
  - d. All of the above
68. Goodwill as per purchase or super profit method is equal to \_\_\_\_\_.
- a. Super Profit
  - b. Super Profit  $\times$  Amount of purchases
  - c. **Super Profit  $\times$  Number of year's purchases**
  - d. None of the above
69. Normal Rate of Return depends on \_\_\_\_\_.
- a. Rate of Interest
  - b. Rate of Risk
  - c. **Both (a) and (b)**
  - d. None of the above
70. While calculating capital employed, \_\_\_\_\_.
- a. **Tangible trading assets should be considered**
  - b. Intangible assets should be considered
  - c. Fictitious assets should be considered
  - d. None of the above
71. Any non-trading income included in the profit should be \_\_\_\_\_.
- a. **eliminate**
  - b. added
  - c. ignored
  - d. none of the above
72. Under capitalization of super profit method, Goodwill is equal to \_\_\_\_\_.
- a. **Capitalized value of super profit at NRR**
  - b. Capitalized value of maintained profit
  - c. (a) and (b)
  - d. None of the above
73. Shares are to be valued on \_\_\_\_\_.
- a. Mergers
  - b. Sale of shares
  - c. Gift tax

- d. All of the above**
74. Quoted shares are those shares which are \_\_\_\_\_.
- listed on the stock exchange**
  - quoted daily
  - quoted by the seller
  - quoted by the buyer
75. Under net asset method, value of a share depends on \_\_\_\_\_.
- net assets available to equity shareholders**
  - net assets available to debentures holders
  - net assets available to preference shareholders
  - none of the above
76. Net asset value is also called as \_\_\_\_\_.
- asset backing value
  - intrinsic value
  - liquidation value
  - (a), (b) and (c)**
77. While deciding net asset value, fictitious assets \_\_\_\_\_.
- should be considered
  - should not be considered**
  - added to total assets
  - none of the above
78. Fair value of a share is equal to \_\_\_\_\_.
- intrinsic value only
  - yield value only
  - average of intrinsic and yield value**
  - none of the above
79. Value of a partly paid equity share is equal to \_\_\_\_\_.
- Value of fully paid share - calls unpaid per share**
  - Calls in arrears per share
  - Paid-up value per share
  - None of the above
80. Capital employed at the end of the year is ` 4, 20,000. Profit earned ` 40,000. Average capital employed is \_\_\_\_\_.
- ` 4,20,000
  - ` 4,00,000
  - ` 4,40,000**
  - ` 4,60,000

## UNIT V

81. Voluntary winding up:
- If period fixed for the company is expired.
  - If company passes a special resolution the company wound up voluntarily.
  - Members voluntary winding up is applicable to solvent companies only.
  - All of the above**
82. Compulsory winding up:
- If a company unable to pay its debt
  - If the number of members of company reduced below statutory limit.

- c. if a company does commence its business within a year from its incorporation.
  - d. All of the above.**
83. The first item in order of payment to be made by liquidator is:
- a. Secured creditors
  - b. Preferential creditors
  - c. **Liquidation expenses**
  - d. Preferential creditors
84. Liquidator's statement of receipts and payment is known as:
- a. Cash flow statement
  - b. Cash book
  - c. **Liquidator's final statement of account**
  - d. Deficiency account
85. A contributory is
- a. A creditor
  - b. **A shareholder**
  - c. A debenture holder
  - d. A convertible debenture holder
86. A past member is not liable to contribute:
- a. In respect of any liability contracted after he ceased to be member of the company.
  - b. One year passed since he ceased to be a member.
  - c. In case of company limited by shares, no liability arises if shares are fully paid up.
  - d. All of the above**
87. salaries due to clerk is preferential for a period not exceeding:
- a. Two months
  - b. Three months
  - c. **Four months**
  - d. Five months
88. Maximum \_\_\_\_\_ can be treated as preferential salary and wages.
- a. **20000**
  - b. 25000
  - c. 30000
  - d. 40000
89. B" List of contributories are not liable:
- a. If shares are fully paid up
  - b. For liabilities after they are ceases to be member of the company.
  - c. If present shareholders paid the unpaid amount of the shares transferred by them.
  - d. All of the above**
90. In the event of Company being wound up the Tribunal shall prepare list of contributories into.
- a. List A
  - b. List B
  - c. List A and List B
  - d. List A or List B
91. A voluntary winding up means winding up by.
- a. Members or creditors**
  - b. Members or contributors.
  - c. contributors. or creditors

- d. All of the above
92. Statutory meeting of the company must be held within.
- One month of obtaining the certificate to commence business
  - 3 months of obtaining the certificate to commence business
  - 6 months of obtaining the certificate to commence business.**
  - 3 months of obtaining the certificate to commence business
93. Statutory meeting of the company is held.
- Every year.
  - After every two years.
  - Once in the life time of the company.**
  - Every year at the discretion of the Board of Directors.
94. Statutory meeting is not to be held if a new company is a
- Public limited Company. C. Government Company.
  - Private Company (Limited).** d. FERA company.
95. The first annual general meeting of the company must be held within.
- 12 months from the date of incorporation.
  - 12 months from the date of commencement of business.
  - 18 months from the date of its incorporation.**
  - 18 months from the date of commencement of business.
96. A company can create 'reserve capital' by passing \_\_\_\_\_
- an ordinary resolution
  - a special resolution**
  - a board resolution
  - None of the above
97. The capital which is part of the uncalled capital of the company which can be called up only in the event of its winding up it is called
- Issued capital
  - Nominal capital
  - Authorized Capital
  - Reserve capital**
98. Who are the persons who can file petition for winding up of the company?
- Company & its Contributories
  - The Central Government or State Government
  - Registrar on his own account
  - Both A and B**
99. For the Registrar who wants to file a petition for winding of a company what are the Conditions to be fulfilled
- Registrar need to take permission of CG
  - . The Company needs to be given opportunity of being heard
  - Registrar can directly approach tribunal
  - D. Both A and B**
100. To which of the following authorities shall intimation be sent of passing of the resolution for appointment of the liquidator:
- The Insolvency and Bankruptcy Board of India (IBBI) only
  - Registrar of Companies (ROC) only

C. National Company Law Tribunal (NCLT)

**D. The Insolvency and Bankruptcy Board of India (IBBI) and Registrar of Company.**

## CORPORATE ACCOUNTING

K2 level

### UNIT-1

1. What is share capital?

Share Capital: Capital raised by the company from issue of shares.

2. Write the meaning for Authorized Capital

This is the maximum limit of capital which is authorized to raise.

3. Spell about Issued Capital

It is that part of authorized capital which the company has issued to the public.

4. What do you mean by Subscribed Capital?

It is that part of the issued capital which is actually subscribed by the public.

5. Spell about Called Up Capital:

It is that amount on the shares subscribed, demanded from the public by the company.

6. What do you mean by Paid-Up Capital?

The part of called-up capital which is actually paid by shareholders.

7. Spell about Forfeiture of Shares.

Forfeiture of shares means the cancellation of allotment to defaulting shareholders.

8. What is Over Subscription of shares?

Shares are said to be over-subscribed when the number of shares applied for is more than the shares offered for the issue

9. Spell about Under Subscription.

Share are said to be under-subscribed when the number of share applied for is less than the number of shares offered.

10. What is the use of the amount of Premium?

To issue fully paid bonus shares to the members

### UNIT-2

11. Define Debentures.

It is a written acknowledgement of debt by a company under its common seal.

12. List out the kinds of debentures.

Redeemable and Irredeemable Debentures

Registered and Bearer Debentures

13. What do you mean by Secured debentures?

Secured debentures are those debentures which are secured either by the mortgage of a particular asset

14. Spell about Unsecured 'debentures

Those debentures which are not secured by any charge or mortgage on any property of the company.

15. Spell about Naked Debentures.

Debentures which are not secured by any mortgage of asset.

16. Write the meaning for Redeemable Debentures.

Debentures which are redeemed after specified period of time.

17. What do you mean by Irredeemable Debentures?

Such debentures are payable after a long period of time or on winding up of the company.

18. Write the journal entry for Redemption Out of Profits

General Reserve A/c or P & L A/c      Dr.

        To Capital Redemption Reserve A/c.

19. State about Sinking Fund Method.

It is a method by which the debenture can be redeemed on maturity.

20. What is unclaimed dividend?

It refers to the amount of dividend not collected by the shareholders from the company.

### **UNIT-3**

21. What is Managerial remuneration?

The remuneration payable to the (i) Managing director (ii) Manager (iii) Part time directors (iv) Whole time directors

22. What is maximum remuneration payable to managerial personnel?

Maximum remuneration to all managerial personnel - 11 %

23. Name any two asset grouped under the balance sheet

a) Fixed asset b) Current assets, loan and advances

24. Name two heads of liabilities shown in the balance sheet

a) Share capital b) Reserves and Surplus

25. What is accounting procedure for provision for taxation?

Provision is debited to P & La /c and credited to Provision for taxation a/c which appears in balance sheet.

26. Tell about dividend.

A portion of profit of the company which is allocated to the holders of the shares in the company

27. Pass journal entry to calculate interest on debentures.

Debenture Interest a/c Dr

To Bank a/c

To Income tax payable a/c

28. What is final dividend?

Any dividend declared by a company at its annual general meeting is known as final or normal dividend.

29. How much percentage of profit is transferred to reserve When dividend is more than 10%-12 ½%?

If proposed dividend is more than 10% but not more than 12 ½% of paid up capital – 2 ½% is to be transferred to reserve.

30. What is unclaimed dividend?

The amount of dividend not collected by the shareholders from the company.

#### **UNIT-4**

31. Define goodwill.

It is an intangible but not fictitious assets which means it has some realisable value.

32. State the need for evaluating goodwill?

When the business is to be sold to another company is to be amalgamated with another company.

33. Find the important factors that have a bearing on future profits?

i) Personal skill in management(ii) Nature of business(iii) Favourable location

34. State Types of Valuing Goodwill

(a) Simple profit method and (b) Super profit

35. What do you mean by Super Profit Method?

The future maintainable profits of the firm are compared with the normal profits for the firm.

36. Spell about Normal Rate of Returns (NRR)

Normal Rate of Returns means rate of profit on capital employed which is normally earned by others in a similar type of business.

37. How will you Find out super profit?

Super Profit = Future Maintainable Profit – Normal Profit

38. How will you Find out goodwill?

Goodwill = Number of year purchase × Super Profit.

39. What is the need for valuation of shares?

- Amalgamations, absorptions, etc.
- For converting one class of shares to another class.

40. State the Methods of Valuation of Shares.

(1) Open market price, (2) Stock exchange quotation, (3) Net assets basis, (4) Earnings per share method.

#### **UNIT-5**

41. State the meaning liquidation

The process whereby its life is ended and its properties is administered for the benefit of its creditors and members.

42. State the meaning liquidator

An administrator, called a liquidator, is appointed and he takes control of the company.

43. List out the methods of winding up of company

i) Compulsory winding up by the court ii. Voluntary winding up by the members or creditors  
iii. Winding up under the supervision of the court.

44. Write the meaning of Preferential Creditors

Preferential creditors are the ones who have priority of claims over the unsecured creditors.

45. State the meaning of contributors.

“every person liable to the assets of the company in the event of its being wound up, and includes holder of any shares which are fully paid up and also any person alleged to be contributory”

46. Who may be called as unsecured creditors?

It includes trade creditors, bills payable, bank loan or overdraft which is unsecured creditors,

47. Who may have called as Contributory?

A person liable to contribute to the assets of a company in the event of winding up.

48. Spell about the of legal charge or Legal expenses

Legal expenses include registration expenses, stamp duty, litigation expenses etc.,

49. List out the Correct order of payment:

- Liquidation expenses
- Secured creditors
- Preferential creditors
- Unsecured creditors
- Any surplus, among the contributories

50. Who may appoint a liquidator?

Liquidator is appointed by

Court	In case of compulsory winding up
Members	Members voluntarily winding up
Creditors and Members	In case of creditors voluntarily winding up

K3 Level

### UNIT- 1

1. Modern Fibers Ltd has part of its share capital as 5000 Redeemable preference shares of rs.100 each. When the shares became due for redemption, the company decided that the whole amount will be redeemed out of a fresh issue of equal amount of equity shares of Rs.10 each.
2. Ram limited purchased assets of Rs.800000 from Anil. It issued equity shares of Rs.100 each fully paid up in satisfaction of their claim. Make journal entries to record these transactions .Show the journal entries in the books of the company.
3. X Ltd purchased the business of Y ltd for Rs. 54, 00,000 payable in fully paid shares of Rs.100 each. What entries will be made in the books of X ltd if such issue is a) at par b) at a premium of 20 % c) at a discount of 10 %.
4. A Ltd purchased assets of 3, 80,000 from Ram traders. It issued equity shares of Rs.10 each fully paid in satisfaction of their claims. What entries will be made in case such issue is a) at par b) at a premium of 25 % c) at a discount of 5%.
5. Z ltd forfeited 20 shares of Rs. 10 each on which Rs. 6 per share were paid. What amount will be transferred to capital reserve if out of these 8 shares are reissued as fully paid up on payment of Rs.5.50 per share.

### UNIT II

6. Timex Ltd. Issue 1000 8% debentures of Rs.100 each. Give journal entries in the books of a company if the debenture were issued as follows:
  - a. Issued at par, redeemable at par
  - b. Issued at a discount of 5 %, repayable at par
  - c. Issued at a premium of 5 %, repayable at par .
7. Moon Ltd. Issued 50000 8% debentures of Rs.10 each to a public at par to be paid of Rs.4 on application and balance on allotment. Applications were received for 48000 debentures. Allotment was made to all the applicants and the amount due were received promptly.
8. A company purchased building of the book value of Rs.1, 98,000 from another firm. It was agreed that the purchase consideration be paid by issuing 10% debentures of Rs.100 each. . Give journal entries in the books of a company if the debenture were issued as follows: i) Issued at par ii) at a discount of 10 %, iii) at a premium of 10 %.

9. Rashid Ltd has Rs. 10,00,000 8% debentures outstanding on 1.1.2016. The company has been redeeming every year on January 1 st Rs.1,00,000 debentures by drawings by lot, at par. Give journal entries:
- If the redemption is out of profits
  - If the redemption is out of capital.
10. G Ltd issued 20000 12 % debentures of Rs.100 each on 1-1-2017 at a discount of 10% redeemable at a premium of 15% in equal annual drawings in 4 years out of profits. . Give journal entries both at the time of issue and redemption of debentures.

### UNIT III

11. From the following particulars, determine the maximum remuneration available to a full time director of a manufacturing company. The profit & loss account of the company showed a net profit of ₹ . 40,00,000 after taking into account the following items:
- |   |               |
|---|---------------|
| (a) Depreciation (including special depreciation of Rs. 40,000) | ₹ . 1,00, 000 |
| (b) Provision for income tax                                    | ₹ 2, 00,000   |
| (c) Donation to political parties                               | 50,000        |
| (d) Ex-gratia payment to a worker                               | 10,000        |
| (e) Capital profit on sale of assets                            | 15,000        |
12. From the following particulars of Bharat Ltd for the year ended 31.3.15 calculate the net profit for managerial remuneration:
- Net profit as per P&L a/c is ₹ .1600000
  - Remuneration and Perquisites paid to:
    - Managing director ₹ .75000
    - Whole time director ₹ .60000
  - Provision for doubtful debts made during the year ₹ .30000
  - Provision for income tax ₹ .8, 00,000.
13. From the following particulars of Balu Ltd. Calculate the net profit for managerial remuneration:
- Net profit before provision for income tax and managerial remuneration but after depreciation ₹ .8,70,410.
  - Depreciation provided in the books ₹ 3,10,000
  - Depreciation allowable ₹ 2,60,000
14. The provision for tax at the end of 31.3.2011 stood at Rs.300000. During 2011-12, the tax liabilities upto 31.3.2011 were settled for Rs.274000. Provision required in respect of 2010-11 is ₹ .82000. How will you show provision for tax in profit & loss a/c?

15. A company pays interest on 30<sup>th</sup> June and 31<sup>st</sup> December on its 1,00,000, 15% debentures of ₹ 100 each; the books are closed on 31<sup>st</sup> March. How will the relevant items appear in the company's balance sheet?

#### UNIT IV

16. I Year 36,000

II Year 40,000

III Year 44,000

The capital investment of the firm is Rs. 1, 00,000.

A fair return on the capital, having regard to the risk involved, is 10%.

Calculate the value of goodwill on the basis of 3 years purchase of super profit.

17. Calculate the amount of goodwill on the basis of three years purchase of the last 5 years average profits. The profits for the last 5 years are:

I year	4800
II year	7200
III year	10000
IV year	3000
V year	5000

18. A firm earns Rs.1 20,000 as its annual profits, the rate of normal profit being 10%. The assets of the firm amount to Rs. 14, 40,000 and liabilities to Rs.4, 80,000. Find out the value of goodwill by capitalization method.

19. Find out the value of goodwill by capitalization method from the following :

Normal rate of return 10%

Adjusted average profits of the proceeding 5 years Rs.30000.

Net asset employed in the company Rs.2, 00,000.

20. The Balance Sheet of Sagar Ltd. as on 31st March, 2011 was as follows:

Balance Sheet of Sagar Ltd. as on 31st March, 2011 was as follows:

<b>Liabilities ` (in Lakhs)</b>		<b>Assets ` (in Lakhs)</b>	
Equity Share Capital (` 10 each)	1,000		
Profit & Loss A/c	206	Building	440
Bank Overdraft	40	Machinery	190
Creditors	154	Stock	700
Provision for Tax	90	Debtors	310
Proposed Dividend	150		
	<b>1,640</b>	<b>1,640</b>	

The net profit of the company after deducting all working charges and providing depreciation and taxation were as under:

<b>Year ending `</b>	<b>in Lakhs</b>
31-03-2007	170
31-03-2008	192
31-03-2009	180
31-03-2010	200
31-03-2011	190

On 31st March, 2011, Building was valued at ` 500 lakhs and Machinery at ` 300 lakhs. The Other assets and liabilities have been correctly valued. In view of the nature of business, it is assumed that 10% is a reasonable return on tangible capital. Consider closing capital as average capital employed and simple average for computing average profit.

You are required to determine:

- Value of Goodwill on the basis of 5 year's purchase of super profits.
- Intrinsic value of Equity Share.

## UNIT V

21. A company went into liquidation on 31-3-2015 when the following Balance Sheet was prepared. Prepare liquidator's final account by taking his remuneration at 2.5% on the amount realized and 2% on the amount paid to unsecured creditors.

The assets realized by liquidator are as follows:

Fixed assets ` 1,72,000 (including ` 70,000 on free hold property);

Current assets ` 1,95,000 and

Cash ` 5,000. Liquidation expenses amounted to ` 2,000.

### **Liabilities**

Share Capital (` 10 each) 3,90,000

Goodwill and patents 1,00,000

Creditors – Preferential 48,400  
 Fixed assets(including freehold property) 2,27,000  
 Partly secured creditors (on freehold property) 1,10,620  
**Assets**  
 Current assets 2,43,240  
 Unsecured creditors 2,23,580  
 Cash 5,000  
 Profit and Loss A/c 1,97,360 7,72,600 7,72,600.

22. Shri A.B. Govindan is appointed liquidator of a company in liquidation on 1st July, 2016 and the following balances are extracted from the books on that date. `

Share Capital		Machinery	
8,000 shares of ` 10 each	80,000	Leasehold Properties	30000
Debentures bank	50,000	Stock-in-trade	40000
Overdraft Liabilities for	18,000	Book Debts	1,000
Purchases Provision for	20,000	Investments	60,000
Bad Debts	10,000	Calls in Arrear	6,000
		Cash in hand	5,000
		Profit and Loss	1,000
		Account	35,000
	178000		178000

Prepare a statement of affairs to be submitted to the meeting of the creditors. The Machinery is valued at ` 60,000, the Leasehold Properties at ` 73,000, Investments at ` 4,000, Stock-in-trade at ` 2,000; bad debts are ` 2,000, doubtful debts are ` 4,000 estimated to realise ` 2,000. The Bank Overdraft is secured by deposit of title deeds of Leasehold Properties. Preferential creditors for taxes and wages are ` 1,000. Telephone rent owing is ` 80.

23. The following particulars were extracted from the books of X Ltd. on 1st April, 2016 on which day a winding up order was made. `

Equity Share Capital 20,000 shares of ` 10 each, ` 5 paid up 1,00,000  
 14% Preference Share Capital 20,000 shares of ` 10 each,  
 fully paid 2,00,000

14% First Mortgage Debentures, secured by a floating charge upon the whole of the assets of the company, exclusive of the uncalled capital 1,50,000  
 Fully Secured Creditors (value of securities, ` 35,000) 30,000  
 Partly Secured Creditors (value of securities, ` 10,000) 20,000  
 Preferential Creditors for rates, taxes, wages, etc. 6,000  
 Bills Payable 1,00,000  
 Unsecured Creditors 70,000  
 Bank Overdraft 10,000  
 Bills Receivable in hand 15,000  
 Bills Discounted (one bill for ` 10,000 known to be bad) 40,000  
 Liquidation of Companies Book Debts — Good 10,000  
 — Doubtful (estimated to produce 50%) 7,000 —  
 Bad 6,000  
 Land and Building (estimated to produce ` 1,00,000) 1,50,000  
 Stock in Trade (estimated to produce ` 40,000) 50,000  
 Machinery, Tools, etc. (estimated to produce ` 2,000) 5,000  
 Cash in hand 100  
 Make out (1) Statement of affairs as regards creditors and contributories, and (2) Deficiency account.

24. The following particulars relate to a limited company which has gone into liquidation.

You are required to prepare the Liquidator's Final Account, allowing for his remuneration @ 2% on the Liquidation of Companies amount realized and 2% on the amount distributed amount unsecured creditors other than preferential creditors. `

Preferential Creditors 10,000

Creditors 32,000

Debentures 10,000

The assets realized the following sums:

Land and Buildings 20,000 Plant and Machinery 18,650 Fixture and Fittings 1,000 The liquidation expenses amounted to 1000.

25. . What do you understand by the Liquidators Final Statement of Account? Give a pro forma of such an account with imaginary figures.



## **K4& K5 LEVEL**

### **UNIT-1**

1. A company has 10000 9% redeemable preference shares of Rs.100 each fully paid. The company decides to redeem the shares on 31<sup>st</sup> Dec.2007 at a premium of 10%. The company makes the following issues:
  - i) 6000 equity shares of Rs.100 each at a premium of 10%
  - ii) 4000 8% Debentures of Rs.100 each.

The issue was fully subscribed and allotments were made. The redemption was duly carried out. The company has sufficient profits. You are required to give the necessary entries.

2. Ambassadors Ltd issued 2000 shares of Rs.100 each at a premium of 10% payable as follows:  
Rs.25 on application, Rs.35 on allotment (including premium), Rs.20 on first call, Rs.30 on final call. 1800 shares were applied for and allotted. All the money was received with exception of first and final calls on 200 shares held by Mr. Ragu. These shares were forfeited. Give Journal entries and prepare balance sheet.
3. A company forfeits 100 shares of Rs.10 each originally issued at a premium of Rs. 2 per share. The shareholder paid Rs.4 per share on application but did not pay the allotment money of Rs.4 per share including premium and call of Rs.4 per share. The shares are subsequently reissued at Rs.11 per share as fully paid up. Pass journal entries for forfeiture and re issue of forfeited shares.
4. The ABC Ltd offered 5000 shares of 100 each to the public at Rs.95 payables as under:  
Rs.15 on application,  
Rs.30 on allotment  
Rs.25 on first call,  
Rs.25 on final call.  
All the shares were applied for and allotted. Anand to whom 500 shares were allotted, paid the whole of the sum due along with allotment. Pass journal entries for the above transactions and prepare balance sheet.
5. X Co. Ltd. forfeited 100 shares of Rs. 10 each fully called up, held by Mr. Arun for non-payment of allotment money of Rs. 3 per share and first and final call of Rs. 4 per share.

He paid application money @ Rs. 3 per share. These shares were reissued @ Rs. 9 per share as fully paid. Pass forfeiture and reissue journal entries.

## UNIT II

6. X Ltd issued 15000 14% debentures of Rs.100 each for public subscription, at a premium of 10% payable as to Rs.30 on application, Rs.50 (including premium) on allotment and the balance in one all. 25000 applications were received.4000 applications were rejected and debentures were allotted to the remaining applications pro rata. Allotment amount was received from all the allottees one of whom paid the call amount due on his 1000 Debentures along with allotment money. The call amount was also collected on the due date. You are required to pass necessary journal entries.
7. 2. A company issued 6 % debentures of Rs. 10, 00,000 with the condition they should be redeemed after 3 years at 10 % premium. The amount allocated for the redemption for debentures is invested in 5%. State Government securities. The Sinking fund table shows that Rs.0.317209 at 5% compound interest in 3 years will become Re.1. Pass necessary journal entries and prepare ledger account for three years.
8. A company issues the following debentures.
  - a) 500 5% Debentures of Rs. 1,000 each at par, redeemable at par.
  - b) 1,001 6% Debentures of Rs. 100 each at a premium of Rs 10 per debenture, redeemable at par.
  - c) 1,500 7% Debentures of Rs. 200 each at a discount of Rs. 20 per debenture, , redeemable at par.
  - d) 2,000 8% Debentures of Rs. 250 each at par, redeemable at a premium of 10%
  - e) 2,500 9% Debentures of Rs. 500 each at a discount of 10% redeemable at a premium of 10 %.
9. Anup Ltd. issued 1,000 Debentures of Rs. 100 each at par on January 1,1986, redeemable after 4 years. A sinking fund was created for the purpose. It was expected that investments would earn 5 per cent per annum net. Sinking Fund Tables show that Re. 0.232012 invested annually amounts to Re. 1 at the end of four years at 5% p.a. on compound interest basis. Investments realized Rs. 77,400 at the end of four years. The balance at bank

on that date was Rs. 30,000. The debenture was duly redeemed on December 31, 1989.

Show how the amount to be set aside will be calculated and also prepare Ledger Accounts.

10. Robin Ltd. issued 5,000, 12% Preference Shares of 100 each at a premium of 10 per share payable as follows:

Application	30
Allotment	30 (including premium)
First Call	25
Final Call	25

The company receives applications for 6,000 shares and the directors allot 5,000 shares and reject applications for 1,000 shares. The company refunds the excess money. It duly receives the allotment money. While it receives the first call money on 4,500 shares and the final call money on 4,000 shares. Show the cash journal entries.

### UNIT III

11. The following are the balances of X Ltd., as on 31.12.2010

Debit	₹	Credit	₹
Cash and Bank balances	2,03,250	Sales	20,75,000
Purchases	9,25,000	General reserve	1,25,000
Preliminary expenses	25,000	Creditors	2,00,000
Wages	4,89,900	Bills payable	1,85,000
General expenses	34,175	Share capital	20,00,000
Salaries	1,01,125	12% Debentures	15,00,000
Bad debts	10,550	Profit & loss A/c	1,31,250
Debenture interest paid	90,000	Provision for bad debts	17,500

Premises	15,36,000		
Plant & Machinery	16,50,000		
Stock (01.01.2010)	3,75,000		
Debtors	4,35,000		
Goodwill	1,25,000		
Calls-in-arrears	37,500		
Interim dividend paid	1,96,250		
	62,33,750		62,33,750

You are required to prepare profit & loss A/c for the year ended 31.12.2010 and Balance Sheet as on that date after taking into account the following adjustments:

- i) Stock on 31.12.2010 was valued at ₹ 4,75,000
- ii) Provide depreciation @ 15% on Plant & Machinery.
- iii) Create 5% Provision for doubtful debts on debtors.
- iv) Write off ₹ 2,500 from preliminary expenses
- v) Half year's debenture interest outstanding
- vi) Create provision for taxation @50%
- vii) A claim of ₹ 30,000 for workmen's compensation is being disputed by the company.

12. The following Trial balance of Nalli Limited as at 31<sup>st</sup> March 2012 is given to you

	₹ .		₹
Stock	80,000	Equity share capital	6,00,000
Bank	17,600	6% Debentures	2,00,000
Patents	60,000	Creditors	1,00,000
Calls in arrears	20,000	General reserve	80,000
Returns inwards	30,000	Sales	10,00,000
Purchases	7,72,000	Returns outward	20,000
Wages	1,08,000	P&L account (Cr)	12,000

Insurance prepaid	400		
Bills receivable	30,000		
Debtors	80,000		
Discount on issue of debentures	10,000		
Plant	4,00,000		
Land & Buildings	3,00,000		
Insurance	4,000		
General expenses	40,000		
Establishment expenses	60,000		
	<b>20,12,000</b>		<b>20,12,000</b>

Additional information

- (i) The value of stock on 31<sup>st</sup> March 2012 was ₹ . 74,00
- (ii) Outstanding wages totaled ₹ 10,000
- (iii) A provision 5% is to be credited on debtors for doubtful debts
- (iv) Depreciate patents @ 10% and Plant @ 7½% and on Land & Buildings @ 4%

You are required to prepare Trading and P&L account for the year ended 31.3.2012 and Balance sheet as on that date.

13. Raja Ltd is a company with an authorized capital of ₹ . 5, 00,000 divided into 5,000 equity shares of ₹ . 100 each on 31.12.2003 of which 2,500 shares were fully called up. The following are the balanced extracted from the ledger as on 31.12.2003.

<b>Debit</b>	<b>₹</b>	<b>Credit</b>	<b>₹</b>
Opening stock	50,000	Sales	3,25,000
Purchases	2,00,000	Discount received	3,150
Wages	70,000	Profit & loss A/c	6,220
Discount allowed	4,200	Creditors	35,200
Insurance (up to 31.3.04)	6,720	Reserves	25,000
Salaries	18,500	Loan from managing	
Rent	6,000	directors	15,700
General expenses	8,950	Share capital	2,50,000

Printing	2,400		
Advertisements	3,800		
Bonus	10,500		
Debtors	38,700		
Plant	1,80,500		
Furniture	17,100		
Bank	34,700		
Bad debts	3,200		
Calls-in arrears	5,000		
	6,60,270		6,60,270

You are required to prepare profit & loss account for the year ended 31.12.2003 and a balance sheet as on that date. The following further information is given:

(a) Closing stock was valued at ₹ .1, 91,500

(b) Depreciation on plant at 15% and on furniture at 10% should be provided.

(c) A tax provision of ₹ . 8,000 is considered necessary.

(d) The directors declared an interim dividend on 15.08.03 for 6 months ending june 30, 2003 @ 6%.

14. A ltd was registered with an authorized capital of ₹ 600000 in equity shares of ₹ 10 each.

The following is its Trial Balance on 31<sup>st</sup> march 2011

	<b>Debit Balance</b>	<b>Credit balance</b>
	<b>(in ₹)</b>	<b>(in ₹)</b>
Goodwill	25000	-
Cash	750	-
Bank	39900	-
Purchases	185000	-

Preliminary expenses	5000	-
Share capital	-	400000
12% debentures	-	300000
P & L a/c (CR)	-	26250
Calls in arrears	7500	-
Premises	300000	-
Plant & Machinery	330000	-
Interim dividend	39250	-
sales	-	415000
Stock (1.4.2010)	75000	-
Furniture & fittings	7200	-
Sundry debtors	87000	-
Wages	84865	-
General Expenses	6835	-
Freight and carriage	13115	-
Salaries	14500	-
Director's Fees	5725	-
Bad debts	2110	-
Debenture Interest paid	18000	-
Bills payable	-	37000

Sundry creditors	-	40000
General reserve	-	25000
Provision for bad debts	-	3500
	<b>1246750</b>	<b>1246750</b>

Prepare Profit & loss account, Profit & loss appropriation a/c and balance sheet in proper form after making the following adjustment.

- (i) Depreciate plant & machinert by 15%
- (ii) Write off ₹ 500 from preliminary expenses
- (iii) Provide for 6 months interest on debentures
- (iv) Leave bad and doubtful debts provision at 5 % on sundry debtors
- (v) Provide for income tax @ 50%
- (vi) Stock on 31.3.2011 was ₹ 95000.

15. Big Bull Ltd has a nominal capital of Rs.6,00,000 divided into shares of Rs.10 each. The following Trial balance is extracted from the books of the company as on 31.12.2011.

	□		□
Calls in arrear	7500	6% Debentures	300000
Premises (Rs.60000 added on 1.7.2011)	360000	P & L A/c (1.12011)	14500
Machinery	300000	Creditors	50000
Interim dividend paid	7500	General Reserve	25000
Purchases	185000	Share capital (called up)	460000
Preliminary expenses	5000	Bills payable	38000

Freight	13100	Sales	415000
Director's Fees	5740	Provision for bad debts	3500
Bad Debts	2110		
4% Government Securities	60000		
Stock(1.1.87)	75000		
Furniture	7200		
Sundry Debtors	87000		
Goodwill	25000		
Csh	750		
Bank	39900		
Wages	84800		
General Expenses	16900		
Salaries	14500		
Debenture Interest	9000		
	<b>1306000</b>		<b>1306000</b>

Prepare final accounts of the company for the year ending 31.12.2011 in the prescribed form

after taking into account the following adjustments:

(a) Depreciate machinery by 10% and furniture by 5%

(b) Write off half of the preliminary expenses

(c) Wages include ₹10,000 paid for the construction of a compound wall to the premises and

no adjustment was made.

(d) Provide 5% for bad debt on sundry debtors

e) Transfer ₹10000 to general reserve.

(f) Provide for income tax ₹25000

(g) Stock on 31.12.2011 was ₹101000

#### UNIT IV

16. On 31<sup>st</sup> Dec 2008. The balance sheet of a limited of a limited company disclosed the following position.

Liabilities	Rs.	Assets	Rs.
Issued capital in Rs.10 shares	800000	Fixed assets	10,00,000
Profit and loss A/c	40000	Current assets	4,00,000
Reserves	1,80,000	Goodwill	80,000
5% Debentures	2,00,000		
Current liabilities	2,60,000		
	14,80,000		14,80,000

On Dec31, 2008 the fixed assets were independently valued at Rs.7, 00,000 and the goodwill at Rs.1, 00,000. The net profits for the three years were:

2006- Rs.103200; 2007 Rs.104000 and 2008 Rs103300 of which 20% were placed to

reserve. This proportion being considered reasonable in the industry in which the company is engaged and where a fair return on investments may be taken at 10%. Computethe value of the company's share by a) the net assets method b) the yield method.

17. H and M Ltd Propose to Amalgamate.

Balance sheet of H and M Ltd as on 31-12-2008

Liabilities	H Ltd	M Ltd	Assets	H Ltd	M Ltd
Share capital:			Fixed Assets		
Equity shares of	4,00,000	2,00,000	less Depreciation	5,00,000	1,50,00
Rs.10 each	3,00,000	20000	Investments (face	2,00,000	0
General reserve	1,00,000	30000	value Rs.2,00,000		-

P&L A/C	2,00,000	50000	6% G.P notes)	3,00,000	
Current Liabilities			Current assets		1,50,000
	10,00,000	3,00,000		10,00,000	3,00,000
				0	0

Net profit

Year	H ltd	M Ltd
2006	150000	46000
2007	144000	45000
2008	150000	56000

Goodwill for the purpose of amalgamation may be taken as 3 years purchase of average super profits of trading on the basis of 10% normal profit on closing capital invested. The currents of H ltd are to be taken as Rs.4, 30,000 and that of M ltd as Rs.1, 75,000. Ascertain the value of Goodwill.

18. The following particulars of Amber Ltd. as on 31 st March, 2012 are available:

1. 1,00,000 Equity Shares of ` 100 each fully paid ` 1,00,00,000
2. 10,000 12% Preference shares of ` 100 each fully paid ` 10,00,000
3. Securities Premium ` 11,50,000
4. Profit and Loss Account ` 33,58,000
5. General Reserve ` 18,85,000
6. Current liabilities: Creditors ` 31,20,000 Bills Payable ` 10,60,000 ` 41,80,000 Valuation of Goodwill and Shares 21
7. Average Profit after Tax (for last three years) ` 5,85,000
8. 20% of profit after tax is transferred to General Reserve every year

9. Fictitious Assets ` 80,000 10. Normal Rate of Return is 10%

Considering the above information, compute the value of equity share by: 1. Assets Backing method 2. Yield method 3. Fair value method (ignore goodwill).

19. The following particulars are available in respect of Goodluck Limited:

a) Capital 450, 60% preference shares of ` 100 each fully paid and 4,500 equity shares of ` 10 each fully paid.

(b) External liabilities: ` 7,500.

(c) Reserves and Surplus ` 35,000.

(d) The average expected profit (after taxation) earned by the company ` 8,500.

(e) The normal profit earned on the market value of equity shares (full paid) of the same type of companies is 9%.

(f) 10% of the profit after tax is transferred to reserves.

20. Calculate the intrinsic value per equity share and value per equity share according to dividend yield basis. Assume that out of total assets, assets worth of 350 are fictitious.

The capital structure of company as on 31st March, 2009 was as under:

Equity Share Capital 5,00,000 11%

Preference Share Capital 3,00,000

12% Secured Debentures 4,00,000

Reserves 3,00,000

The company on an average earns a profit of ` 4,00,000 annually before deduction of interest on Debentures and Income Tax, which works out to 45%. The normal return on equity shares on companies similarly placed is 15% provided:

(a) The profit after tax covered the fixed interest and fixed dividends at least four times. (b) Equity capital and reserves are 150% of debentures and preference capital.

(c) Yield on shares is calculated at 60% of profits distributed and 5% on undistributed profits.

The company is regularly paying an equity dividend of 18%. Ascertain the value of equity share of the company.

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### UNIT-5

21. A liquidator is entitled to receive remuneration @ 2% of the assets realized and 3% on the amount distributed among the unsecured creditors. The assets realized

Rs 70, 00,000 against which payment was made as follows:

Liquidation expenses Rs.50000

Preferential creditors Rs.1, 50,000 and

Secured creditors Rs.40, 00,000;

Unsecured creditors Rs.30, 00,000.

Calculate the total remuneration payable to the liquidator.

22. The following particulars relate to a limited company which went into voluntary liquidation:

Preferential creditors Rs.25000

Unsecured creditors Rs.58000

6% debentures 30000

The assets realized Rs.80000. the expenses of liquidation amounted to Rs.1500 and the liquidator's remuneration was agreed at 2 ½% on the amount realized and 2% on the amount paid to unsecured creditors including preferential creditors.

Show the liquidator's final statement of account.

23. From the following details ascertain unsecured creditors to be shown in statement of affairs:

Creditors for goods	80000
Bills payable	8000
Loan from bank(Unsecured)	20000
Bank overdraft	6000
Loan on security of machinery	40000
Estimated realizable value of machinery	32000
Contingent liabilities	31000 (20% expected to rank) 25000 ( 10% expected to rank)

24. Ultra Optimist Ltd. went into liquidation. Its assets realised Rs 3, 50,000 excluding amount realised by sale of securities held by the secured creditors.

**Share Capital:**

1,000 shares of Rs 100 each Rs 1,00,000 Secured Creditors (Securities realised (Rs 40,000)  
Rs 35,000 Preferential creditors Rs 6,000 Unsecured creditors Rs 1,40,000

Debentures having a floating charge on the assets of the company Rs 2, 50,000 Liquidation Expenses Rs 5,000 Liquidator's Remuneration Rs 7,500

Prepare the liquidator's final statement of account.

25. The Balance Sheet of Bubble Ltd. as on 31st Dec. 2004 was as follows:

Share	Land and building	25000
8000 Preference shares of 10 each 80000	Other fixed assets	2,00,000

12000 equity shares of 10 each	1,20,000	Stock	5,25,000
Bank loan	4,00,000	Debtors	1,00,000
8% Debentures	1,00,000	Profit and loss	58000
Interest outstanding on debentures	8000		
Creditors	2,00,000		
	9,08,000		9,08,000

The company went into liquidation on the date. Prepare Liquidator's Statement of Account after taking into account the following:

1. Liquidator expenses and liquidator's remuneration amounted to Rs 3,000 and Rs 10,000 respectively.
2. Bank loan was secured by pledge of stock.
3. Debentures and Interest thereon are secured by a floating charge on all assets.
4. Fixed assets were realised at book values and current assets at 80% of book values.