

SUBJECT: CORPORATE ACCOUNTING

BCP- IV SEM

Practice sheet-1

Q1. From the following Balance of Beta Ltd. for the 31st March 2012. Prepare final accounts of the company taking into account the additional information:

a) Building (Cost Rs.40,000)	30,000
b) Furniture (Cost Rs.1,000)	500
c) Motor Vehicles(Cost Rs.3,500)	3,000
d) Investment in equity shares(Market Value Rs.22,000)	20,000
e) Investment in 500 preference shares of 10 each @ 6 paid up	3,000
f) Stock in trade at cost	20,000
g) Bills receivable	5,000
h) Sundry debtors	14,000
i) Cash at Bank	8,750
j) Share Capital	
5,000 equity shares of Rs.10 each	50,000
k) 6% mortgage debentures	10,000
l) Provision for tax	10,000
m) Sundry creditors	5,500
n) Discount on issue of debentures	400
o) Surplus (Profit and loss A/C)	1,000
p) Gross Profit	50,000
q) Dividend received	700
r) Salaries	10,000
s) Director's fees	400
t) Interest paid on debentures	500
u) Auditor's fees	650
v) Trade expenses	11,000

Additional Information :

- 1) Provide 10% depreciation on original cost of all the assets.
- 2) Provide Rs.10,000 in respect of tax for the current year.
- 3) Write back Rs.200 liability included in sundry creditors.
- 4) Market value of stock is Rs. 18,000.
- 5) Dividend is proposed @20% for 2011-12.
- 6) Write off discount on issue of debentures.