

CHOITHRAM SCHOOL MANIKBAGH INDORE

CLASS XII Session: 2018-19

SUBJECT-Accountancy
Scheduled Date.6/7/2018

ASSIGNMENT No. 2
Submission Date. 11/07/2018

Q.no	Questions	Mark																		
1.	Normally, what should be the maturity period for a short term investment from the date of its acquisition to be qualified as Cash Equivalents?	1																		
2.	Under which type of activity will you classify ' sale of shares f another company' while preparing cash flow statement?	1																		
3	Zee ltd. is a company that was set a year ago and thus does not have established business. It intends to issue 10,00,000 equity shares of Rs.10 each to public for subscription. The management was suggested by the accountant Rahul that shares should be issued at 10% discount, so that full subscription is received. The management did not accept the suggestion of Rahul. What must be the reason for not accepting the suggestion?	1																		
Very Short Answer																				
4	Distinguish between Reserve Capital and Capital Reserve.	2																		
5	Wye Ltd. issued 20,000 equity Shares of Rs.10 each at a premium of Rs.2 payable along with the application. All the shares were applied and duly allotted. Pass necessary journal entries .	2																		
6	Good co. ltd. invited applications for 1,00,000 shares of Rs.10 each payable Rs.3 on application, Rs.3 on allotment and balance when required. 1,20,000 shares were applied for. Applications were accepted for 1,00,000 shares and rejected remaining applications. Excess application money was refunded. Allotment money was received on 99,500 shares. Pass journal entries.	2																		
7	Explain any two limitations of Cash Flow Statement.	2																		
Short Answer																				
8	A company is registered with an authorized capital of 1,25,000 equity shares of Rs.10 each. The company offered 80,000 equity shares to the public for subscription. The public applied for 75,000 shares payable in the following manner: 10% on application, 20% on allotment, 30% on first call; and balance on final call. The company duly allotted these shares. It made the first all by 31 st March, 2018. The first call money was received on all the shares except 300 shares. Prepare Balance Sheet of the company.	3																		
9	From the following extract taken from the balance sheet of M/S Khan ltd. Additional information provided, you are required to calculate Cash flow from operating activity and cash flow from financing activity. <table border="1" style="margin-left: auto; margin-right: auto;"><thead><tr><th>Particulars</th><th>2004</th><th>2005</th></tr></thead><tbody><tr><td>Eq. share Capital</td><td>20,00,000</td><td>30,00,000</td></tr><tr><td>10% Preference share capital</td><td>2,00,000</td><td>1,00,000</td></tr><tr><td>Security Premium Reserve</td><td>-----</td><td>1,00,000</td></tr><tr><td>Statement pf profit and loss</td><td>4,00,000</td><td>8,00,000</td></tr><tr><td>10% debentures</td><td>10,00,000</td><td>10,00,000</td></tr></tbody></table> <p>Additional information:- Preference Shares were redeemed on 31st March, 2005 at a premium of 5%. Dividend on equity shares was paid @8%. Fresh equity shares were issued on 1st April 2004.</p>	Particulars	2004	2005	Eq. share Capital	20,00,000	30,00,000	10% Preference share capital	2,00,000	1,00,000	Security Premium Reserve	-----	1,00,000	Statement pf profit and loss	4,00,000	8,00,000	10% debentures	10,00,000	10,00,000	3
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10	State the purposes for which securities premium reserve can be used .	3																		

		Long answer																																																																											
11	<p>Black and white Ltd. offered 1,00,000 shares of Rs.10 each to the public on the following terms: Rs.3 on Application, Rs.2 on allotment, Rs.2 on first call and Rs.3 on final call. Public applied for 90,000 shares all of which were allotted. All the money due on allotment was received. Calls were made and amount received with a exception of 1,500 shares . Pass entries and prepare cash book.</p>				5																																																																								
12	<p>Following is the balance sheet of Krish Tec. Ltd. for the year ended 31st March, 2012 and 2011.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 45%;">Particulars</th> <th style="width: 10%;">Note No.</th> <th style="width: 20%;">2012</th> <th style="width: 25%;">2011</th> </tr> </thead> <tbody> <tr> <td colspan="4">I Equity & Liabilities</td> </tr> <tr> <td>1. Shareholder's fund</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Share Capital</td> <td></td> <td style="text-align: right;">12,00,000</td> <td style="text-align: right;">8,00,000</td> </tr> <tr> <td> Reserve & Surplus</td> <td></td> <td style="text-align: right;">3,50,000</td> <td style="text-align: right;">4,00,000</td> </tr> <tr> <td>2. Non current Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Long term Borrowings</td> <td></td> <td style="text-align: right;">4,40,000</td> <td style="text-align: right;">3,50,000</td> </tr> <tr> <td>3. Current Liabilities</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Trade payables</td> <td></td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td> Total</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">20,50,000</td> <td style="text-align: right; border-top: 1px solid black;">16,00,000</td> </tr> <tr> <td colspan="4">II Assets</td> </tr> <tr> <td>1. Non Current Assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td> Fixed Assets</td> <td></td> <td style="text-align: right;">12,00,000</td> <td style="text-align: right;">9,00,000</td> </tr> <tr> <td>2. Current assets</td> <td></td> <td></td> <td></td> </tr> <tr> <td> (a) Inventories</td> <td></td> <td style="text-align: right;">2,00,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td> (b) Trade receivables</td> <td></td> <td style="text-align: right;">3,10,000</td> <td style="text-align: right;">2,30,000</td> </tr> <tr> <td> (c) Cash & cash Equivalent</td> <td></td> <td style="text-align: right;">3,40,000</td> <td style="text-align: right;">3,70,000</td> </tr> <tr> <td> Total</td> <td></td> <td style="text-align: right; border-top: 1px solid black;">20,50,000</td> <td style="text-align: right; border-top: 1px solid black;">16,00,000</td> </tr> </tbody> </table> <p>Prepare a cash Flow statement afe taking into accout the following adjustments: a) The company paid interest Rs.36,000 on its long term borrowings. b) Depreciation charged on tangible fixed assets was Rs.1,20,000.</p>	Particulars	Note No.	2012	2011	I Equity & Liabilities				1. Shareholder's fund				Share Capital		12,00,000	8,00,000	Reserve & Surplus		3,50,000	4,00,000	2. Non current Liabilities				Long term Borrowings		4,40,000	3,50,000	3. Current Liabilities				Trade payables		60,000	50,000	Total		20,50,000	16,00,000	II Assets				1. Non Current Assets				Fixed Assets		12,00,000	9,00,000	2. Current assets				(a) Inventories		2,00,000	1,00,000	(b) Trade receivables		3,10,000	2,30,000	(c) Cash & cash Equivalent		3,40,000	3,70,000	Total		20,50,000	16,00,000				5
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