

Question 3 :

1-4-14	1-6-14	1-9-14	1-12-14	31-1-15	31-3-15
DB	Purch	Sold	Sold	Purch	MY = 105
40000	20000	30000	20000	30000	
@ 98	@ 120 (wm)	@ 110 (wm)	@ 105 (ex)	@ 100 (ex)	
→ Acc. Int.	→ Int pay	→ Int rec.	→ Int rec.	→ Int pay	→ Accrued Int.
	→ Brok	→ Brok	→ Brok	→ Brok	

Investment in 8% Debentures of P Ltd. etc

Date	Particulars	FV	Int	Amnt	Date	Particulars	FV	Int	Amnt
1-4-14	To, balance b/d	400,000	8,000	392,000	30-6-14	By, bank	-	24,000	-
1-6-14	To, Bank	200,000	6,667	238,133	1-9-14	By, bank	300,000	4,000	319,400
	To, P&L			25,400	1-12-14	By, bank	200,000	6,667	206,800
31-1-15	To, Bank	300,000	2,000	306,000	1-12-14	By, P&L	-	-	11,267
					21-12-14	By, bank	-	4,000	-
31-3-15	To, P&L		30,000		31-3-15	By, accrued int	-	8,000	-
					31-3-15	By, P&L			5066
						By, balance c/d	400,000	-	420,000

$$MV = 4000 \times 105 = 420.000$$

$$C = 425066$$

$w/N-1$: Interest

1.4-14 :- $4000 \times 100 \times 8\% \times 3\frac{1}{2} = 8000$
 1.6-14 :- $2000 \times 100 \times 8\% \times 5\frac{1}{2} = 6667$
 30.6-14 :- $6000 \times 100 \times 8\% \times 6\frac{1}{2} = 24000$
 1.9-14 :- $3000 \times 100 \times 8\% \times 2\frac{1}{2} = 4000$
 1.12-14 :- $2000 \times 100 \times 8\% \times 5\frac{1}{2} = 6667$
 31.12-14 :- $1000 \times 100 \times 8\% \times 6\frac{1}{2} = 4000$
 31.1.15 :- $3000 \times 100 \times 8\% \times 1\frac{1}{2} = 2000$
 31.3.15 :- $4000 \times 100 \times 8\% \times 3\frac{1}{2} = 8000$

w_{N-2} : Ex-interest price

1.6.14 :- Cum. Int price : $2000 \times 120 = 240000$
less: interest $= (6667)$
Ex-Int price $= 233333$
add: brok @ $2\% \times 240000 = 4800$
238133

W/N-3: Profit/loss on sale

1-9-14 : 1. Cum-Int SP : $3000 \times 110 = 330000$
 2. - Interest = (4000)
 3. Ex-Int SP = 326000
 4. - Brokerage : $2\% \times 326000 = \underline{(6600)}$
 5. NSP = 319400
 6. - Cost (FIFO) = 294000
 4000 $\rightarrow$ 392000
 3000 $\rightarrow$ x
 Profit on Sale 25400

Bank Dr. 319400
To, Invest 294000
To, P&L 25400

Bank Dr. 294000
Invest Cr. 294000

Bank Dr. 25400
P&L 25400

Bank Dr. 205800
 P&L Dr. 11267
 To, Invest 217067

Bank Dr. 205800 P&L Dr. 11267
 Invest Cr. 205800 Invest Cr. 11267

1-12-14 :- Ex. Int SP : $2000 \times 105 = 210000$
 - brokerage : $2\% \times 210000 = (4200)$
 NSP = 205800
 - Cost (FIFO)
 (4000 $\rightarrow$ 392000
 1000 $\rightarrow$ x = 98000
 2000 $\rightarrow$ 238133
 1000 $\rightarrow$ y = 119067
 loss on sale

11267

Question 2 :-

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1-1-08	1-3-08	31-3	1-7-08	30-9	1-10-08	1-11-08	31-12-08
✓ Op-bal. 12000	✓ Purchased 2000	✓ Int.	✓ Sold 5000	✓ Int.	✓ Purchased 1500	✓ Sold 3000	
✓ C = 118000	@ 98 (ex)		@ 100 (ex)		@ 98 (wm)	@ 99 (ex)	
→ Int. accrued	→ Interest pay		→ Interest rec.		→ Interest pay	→ Interest recd.	→ Int. accrued

Investment in 9% Central Government Bonds									
Date	Particulars	F.V.	Interest	Amount	Date	Particulars	F.V.	Interest	Amount
1-1-08	To balance b/d	120000	2700	118000	31-3-08	By bank	-	6300	-
1-3-08	To Bank	20000	750	19600	1-7-08	By bank	50000	1125	50000
1-7-08	To P&L	-	-	833	30-9-08	By bank	-	4050	-
1-10-08	To Bank	15000	0	14700	1-11-08	By bank	30000	225	29700
1-11-08	To P&L	-	-	200	31-12-08	By interest accrued	-	1688	-
31-12-08	To P&L (bal. fig.)		9938		31-12-08	By balance c/d	75000		73633

w/N-1:- Calculation of Interest

1-1-08 :-	$1200 \times 100 \times 9\% \times \frac{3}{12} = 2700$
1-3-08 :-	$200 \times 100 \times 9\% \times \frac{3}{12} = 750$
31-3-08 :-	$1400 \times 100 \times 9\% \times \frac{6}{12} = 6300$
1-7-08 :-	$500 \times 100 \times 9\% \times \frac{3}{12} = 1125$
30-9-08 :-	$900 \times 100 \times 9\% \times \frac{6}{12} = 4050$
1-11-08 :-	$300 \times 100 \times 9\% \times \frac{1}{12} = 225$
31-12-08 :-	$750 \times 100 \times 9\% \times \frac{3}{12} = 1688$

w/N-2:- Calculation of Profit/Loss on sale

1-7-08 :-	Ex-Interest selling Price :-	$500 \times 100 = 50000$
	less: Cost	$= 49167$
	(1200 → 118000)	
	(500 → x)	
	Profit on sale	$= 833$

Bank a/c Dr.	50000
To Investm.	49167
To P&L	833

1-11-08	Ex-Interest selling price :-	$300 \times 99 = 29700$
	less: Cost	$= 29500$
	(1200 → 118000)	
	(300 → x)	
	Profit on sale	$= 200$

Bank Dr.	49167
To Investment	49167
Bank Dr.	833
To P&L	833

W/N-2 :- Calculation of cost of debentures

<u>1-10-08 :-</u>	Cum-interest cost of debentures :-	$150 \times 98 = 14700$
	less: Interest :-	$= \underline{0}$
	Ex-interest cost of debentures :-	$= \underline{\underline{14700}}$

Question 4 :- Went to Nanis House

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Question 5 :-

1.1.	1.3.	31.3	1.9.	30.9	1.12.	31.12
→ Acc. Int.	✓ Purchased 24000 @ 90 (wm)	✓ Interest	✓ sold 10000 @ 92 (ex)	✓ Interest 800 D @ 91 (ex)	✓ Sold 600 D @ 94 (wm)	MV: 91 → Acc. Int.
	→ Interest pay		→ Int. rec.	→ Brok @ 2%	→ Int. rec	→ Int. rec
	→ Stamp = 200		→ Brok = 2%	→ Int. pay	→ Brok = 2%	
	→ Brok = 2%			→ Exp = 100		

Investment in St. Debentures in Kabini Ltd.									
Date	Particulars	F.V.	Interest	Amount	Date	Particulars	F.V.	Interest	Amount
1.3.	To, Bank	240000	5000	215520	31.3	By, bank	-	6000	-
1.9	To, P&L	-	-	360	1.9.	By, bank	100000	2083	90160
30.9	To, Bank	80000	0	74356	30.9.	By, bank	-	3500	-
1.12	To, P&L	-	-	208	1.12	By, bank	60000	500	54772
					31.12	By, Interest accrued	-	2000	-
	To, P&L (bal. fig.)	-	9083	-		By, balance c/d	160000		145512

w/N-1:- Calculation of cost of purchase

1.3 :-	1. wm. interest cost :-	$2400 \times 90 = 216000$
	2. less: interest :-	$2400 \times 100 \times 5\% \times 5/12 = (5000)$
	3. Ex-interest cost	$= 211000$
	4. add: brokerage: 2% x 216000	$= 4320$
	5. add: stamp duty	$= 200$
	6. Net cost	$= 215520$

30.9 :-	1. Ex-interest cost :-	$800 \times 91 = 72800$
	2. add: brokerage = 2% x 72800	$= 1456$
		$= 74256$
	3. add: stamp duty	$= 100$
	Net cost	$= 74356$

w/N-2:- Calculation of Interest

31.3 :-	$2400 \times 100 \times 5\% \times 6/12 = 6000$
1.9 :-	$1000 \times 100 \times 5\% \times 5/12 = 2083$
30.9 :-	$1400 \times 100 \times 5\% \times 6/12 = 3500$
30.9 :-	$800 \times 100 \times 5\% \times 0/12 = 0$
1.12 :-	$600 \times 100 \times 5\% \times 2/12 = 500$
31.12 :-	$1600 \times 100 \times 5\% \times 3/12 = 2000$

$$\begin{aligned} & \frac{1600 D}{MV} = 1600 \times 91 = 145600 \\ & C = 145512 \rightarrow \text{valuation} \end{aligned}$$

w/N-3:- Calculation of profit/loss on sales

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1.9.

1. Ex-interest selling price	: 1000×92	= 92000
2. less: brokerage	: $2\% \times 92000$	= <u>(1840)</u>
3. Net Selling price		= 90160
4. less: cost (WAM)		
	$\Rightarrow \left(\frac{215520}{2400} \times 1000 \right)$	= 89800
5. Profit on sale		<u><u>360</u></u>

1.12.

1. Cum-interest selling price	: 600×94	= 56400
2. less: interest		= <u>(500)</u>
3. Ex-interest selling price		= 55900
4. less: brokerage	: $(2\% \times 55900)$	= <u>(1128)</u>
5. Net Selling price		= 54772
6. less: cost (WAM) (600×90.94)		= 54564

$$\left[\text{WA} = \frac{\text{Total cost}}{\text{Total deb}} = \frac{200076}{2200} = 90.94 \right] P = \underline{\underline{208}}$$

100 D	x	92	=	
2000	x	93	=	
300 D	x	94	=	
<u>TD</u>				<u><u>TC</u></u>