STUDENT NOTES

Question 12

State under which head these accounts should be classified in Balance Sheet, as per Schedule III to The Companies Act 2013:

1. *Calls unpaid.*
2. *Intangible Assets under development.*
3. *Money received against share warrant.*
4. *Long term maturity of finance lease obligation.*

Question 13

From the following information extracted from the books of XY Ltd., prepare a Balance Sheet of the company as at 31st March, 2018 as per Schedule III of the Companies Act. 2013:

Particulars	₹ (in "000)
Long term borrowings → NCL	500
Share Capital → SHF	390
Fixed Assets (tangible) PPE → NCA: PPE & IA	600
Trade Receivables → CA	80
Share Application Money pending Allotment → E&L: Sep. Heading	10
Trade Payables → CL	20
Reserve and Surplus → SHF	90
Inventories → CA	20
Cash and Cash Equivalents → CA	120
Non-Current Investments → NCA	200
Proposed Dividend → ~~DCL~~ | STP	10

Question 14

From the following information, prepare the relevant Notes to Accounts:

Sundry Creditors → CL: TP	40
Bills Payables → CL: TP	20
Bank Overdraft → CL: STB	10
Unpaid Dividend → CL: OCL	2
Outstanding Expenses → CL: OCL	4
Calls-in-Advance → CL: OCL	2
Interest accrued on Borrowings → CL: OCL	24
Current Maturity of 12% Debentures → CL: STB	40
Provision for Tax → CL: STP	240
Proposed Preference Dividend → CL: STP	140
Proposed Equity Dividend → CL: STP	200
~~Dividend Distribution Tax @20%~~	~~85~~

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Question 14:-

NOTE 1:- Trade Payables

Particulars	Amount
1. Sundry Creditors	40
2. Bills payable	20
	60

Note 2:- Short Term Borrowings

Particulars	Amount
1. Bank overdraft	10
2. Current maturity of 12% Debentures	40
	50

Note 3:- Other Current Liabilities

Particulars	Amount
1. Unpaid Dividend	2
2. Outstanding expenses	4
3. Calls in advance	2
4. Interest accrued on borrowings	24
	32

NOTE 4:- Short Term Provisions

Particulars	Amount
1. Provision for tax	240
2. Proposed preference dividend	140
3. Proposed Equity dividend	200
	580

Question 13 :-

Balance Sheet of XY ltd. as on 31.3.18 (₹000's)

Particulars	Notes	31.3.18	31.3.17
Equity & Liability			
1. Shareholders Funds			
a) share capital		390	
b) Reserves & surplus		90	
c) money received against share warrants.			
2. Share Application money pending allotment		10	
3. Non-current Liabilities			
Long Term Borrowings		500	
Deferred Tax liability			
Other long term Liabilities			
Long Term Provisions			
4. Current Liabilities			
Short Term Borrowings			
Trade Payables		20	
Other current liabilities			
Short Term provisions: Proposed Dividend		10	
		1020	
Assets			
1. Non-Current Assets			
a. PPE & Intangible Assets			
i) PPE		600	
ii) Intangible Assets			
iii) Capital WIP			
iv) Intangible Assets under develop.			
b. Non-current Investments		200	
c. Deferred Tax Assets			
d. Long Term loans & Advances			
e. Other Non-current Assets.			
2. Current Assets			
Current Investment			
Inventory		20	
Trade Receivable		80	
Cash & cash equivalent		120	
Short Term loans & Advances			
Other current Assets.			
		1020	

STUDENT NOTES

Question 15

The following is the Trial Balance of Omega Limited as on 31.3.2022:

	Debit		Credit
Land at cost	220	Equity Capital (Shares of ₹10 each)	300
Plant & Machinery at cost	770	10% Debentures	200
Trade Receivables	96	General Reserve	130
Inventories (31.3.2022)	86	Profit & Loss A/c	72
Bank	20	Securities Premium	40
Adjusted Purchases	320	Sales	700
Factor Expenses	60	Trade Payables	52
Administration Expenses	30	Provision for Depreciation	172
Selling Expenses	30	Suspense Account	4
Debenture Interest	20		
Interim Dividend Paid	18		
	1670		1670

Additional Information:

1) The authorized share capital of the company is 40,000 shares of ₹ 10 each.
2) The company on the advice of independent valuer wish to revalue the land at ₹3,60,000.
3) Declared final dividend @ 10% on 2nd April, 2022.
4) Suspense account of ₹ 4,000 represents cash received for the sale of some of the machinery on 1.4.2021. The cost of the machinery was ₹ 10,000 and the accumulated depreciation thereon being ₹ 8,000.
5) Depreciation is to be provided on plant and machinery at 10% on cost.

You are required to prepare Omega Limited's Balance Sheet as on 31.3.2022 and Statement of Profit and Loss with notes to accounts for the year ended 31.3.2022 as per Schedule III. Ignore previous years' figures & taxation.

Question 16

You are required to prepare Balance sheet and statement of Profit and Loss from the following trial blance of Haria Chemicals Ltd. for the year ended 31st March, 2021.

Haria Chemicals Ltd.

Trial Balance as at 31st March, 2021

~~RM → COMC~~

WIP, FG, SIT } ⇒ CII

Particulars	₹	Particulars → SC	₹
Inventory ⇒ OS → CII	6,80,000	Equity Capital (Shares of ₹10 each)	25,00,000
Furniture → PPE	2,00,000	11% Debentures → NCL : LTB	5,00,000
Discount → OE	40,000	Bank loans → NCL : LTB	6,45,000
Loan to Directors ⇒ L&A	80,000	Trade payables → CL : TP	2,81,000
Advertisement → OE	20,000	Sales → RFO	42,68,000
Bad debts → OE	35,000	Rent received → OI	46,000

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Notes to Accounts

NOTE 9 :- Changes in Inventory of WIP, FG, SIT

Particulars	Amount
1. Opening Inventory of WIP, FG, SIT	680000
2. Closing Inventory of WIP, SIT, FG	823000
	143000

NOTE 4 :- Property Plant & Equipment

Particulars	Cost (Gross block)	Accumulated Depreciation	WDV (Net Block)
1. Furniture	200000	-	200000
2. Plant & Machine	860000	146000	714000
3. Fixtures	300000	-	300000
4. Freehold Land	1546000	-	1546000
5. Tools & Equipments	245000	-	245000
			3005000

Note 12 :- Other Expenses

1. Discount	40000
2. Advertisement	20000
3. Baddebts	35000
4. Commission	120000
5. Rentals	25000
6. Preliminary expenses	10000
7. Consumables	84000
8. Dealer aids	21000
9. Transit insurance	30000
10. Trade expenses	37000
11. Distribution freight	54000
	476000

Note 7 :- Cash & Cash Equivalents

1. Bank : Current a/c	45000
2. Cash	8000
	53000

NOTE 11 :- Finance Cost

1. Interest on bank loan	116000
2. Debenture Interest	55000
	171000

NOTE 6 :- Long Term Loans & Advances

1. Loan to Directors	80000
	80000

NOTE 10 :- Employee Benefit Expenses

1. wages	900000
	900000

NOTE 5 :- Intangible Assets

1. Goodwill	265000
	265000

NOTE 1 :- Share Capital

Authorised, Issued, Subscribed & Paidup	2500000
	2500000

NOTE 3 :- Long Term Borrowings

1. 11% Debentures	500000
2. Bank loan	645000
	1145000

NOTE 8 :- Other Income

1. Rent received	46000
2. Transfer fees	10000
	56000

NOTE 2 :- Reserves & Surplus

1. P&L :Surplus	139000
2. add: current year profit	601000
	740000

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Question 16 : In the books of Harid chemicals ltd.

Statement of Profit & loss f.t.y.e. 31.3.21

Particulars	Notes	31.3.21	31.3.20
Incomes			
Revenue from operation	-	4268000	
Other Income	8	56000	
Total Income		4324000	
Expenses			
Cost of material consumed	-	2319000	
Purchase of stock in Trade			
changes in inventory of WIP, FG, SIT	9	(143000)	
Employee Benefit Expenses	10	900000	
finance Cost	11	171000	
Depreciation & Amortisation			
Other Expenses	12	476000	
Total Expenses		3723000	
Profit before tax		601000	

Closing Stock Dr. → CA 823000 ✓

To Trading → CII ✓

Trading

OS RM → COMC ; WIP, FG, SIT } CII	CS RM → COMC ✓ ; WIP, FG, SIT } 823000 → CII

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Balance Sheet as on 31·3·21

Particulars	Notes	31·3·21	31·3·20
Equity & Liabilities			
1· Shareholders funds			
Share Capital	1	2500000	
Reserves & Surplus	2	740000	
2· Share application money pending allotment·		-	
3· Non-Current Liabilities			
Long Term Borrowings	3	1145000	
Deferred Tax Liabilities			
Other Long Term Liabilities			
Long Term provisions			
4· Current Liabilities			
Short Term Borrowings			
Trade Payables		281000	
Other current Liabilities			
Short Term provisions·			
		4666000	
Assets			
1· Non-Current Assets			
a· PPE & Intangible Assets			
i) PPE	4	3005000	
ii) Intangible Assets	5	265000	
iii) Capital WIP			
iv) Intangible Assets under development			
b· Non-current Investments			
c· Deferred Tax Assets			
d· Long Term Loans & Advances	6	80000	
e· Other Non-current Assets·			
2· Current Assets			
Currents Investments			
Inventories	-	823000	
Trade Receivables	-	440000	
Cash & Cash Equivalents	7	53000	
Short Term Loans & Advances			
Other current assets			
		4666000	

STUDENT NOTES

RM cons.
OS + P - CS

Commission → OE	1,20,000	Transfer fees → OI	10,000
Materials consumed	$\boxed{23{,}19{,}000}$	Profit & Loss account → R&S	1,39,000
Plant and Machinery PPE	8,60,000	Depreciation provision:	
Rentals → OE	25,000	Machinery PPE	1,46,000
Current account CA: C&CE	45,000		
Cash CA: C&CE	8,000		
Interest on bank loans FC	1,16,000	Depn Dr. → Dr. → P&L : D&A.	
Preliminary expenses OE	10,000	To Accum. Depn → Cr. → PPE	
Fixtures PPE	3,00,000		
Wages EBE	9,00,000		
Consumables OE	84,000		
Freehold land PPE	15,46,000		
Tools & Equipment PPE	2,45,000		
Goodwill IA	2,65,000		
Trade receivables CA: TR	4,40,000		
Dealer aids OE	21,000		
Transit insurance OE	30,000		
Trade expenses OE	37,000		
Distribution freight OE	54,000		
Debenture interest FC	55,000		
	85,35,000		85,35,000

Additional information: Closing Inventory on 31-3-2021: ₹ 8,23,000. → Closing Stock Dr. → CA: Inv.
To Trading → CII

~~RM cons.~~ WIP FG SIT
CII

Question 17

You are required to prepare a Statement of Profit and Loss and Balance Sheet from the following Trial Balance extracted from the books of the International Hotels Ltd., on 31st March, 2022:

Authorized Capital Divided into:	₹	₹
5,000 6% Preference Shares of 100 each		
10,000 Equity Shares of 100 each		1500000
Subscribed Capital		
5,000 6% Preference Shares of ₹ 100 each		500000
Equity Shares of ₹ 100 each		805000
Purchases - Wines, Cigarettes, Cigars, etc.	45800	
- Foodstuffs	36200	
Wages and Salaries	28300	
Rent, Rates and Taxes	8900	
Laundry	750	

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