

FINAL ACCOUNTS OF COMPANIES

1. Dividend declared between two annual general meeting is called the.....?
2. From the following trial balance and additional information provided, prepare final accounts of SJK Co.Ltd. For the year ending 31st March 2009

Name of accounts	Dr	Cr
Capital 30000 equity shares of Rs. 10 each fully paid	300000	
Stock 01.04.2008	225000	
Purchases and sales	735000	1050000
Productive wages	150000	
Discount	21000	15000
Salaries	22500	
Rent	14850	
General expenses	51150	
Profit and loss account 01.04.2008		45000
Dividend paid for the last year	27000	
Debtors and creditors	112500	52500
Plant and machinery	87000	
Cash at bank	48600	
Reserve		46500
Loan to MD	9750	
Bad debt	4650	
Total	1509000	1509000

Additional information:

1. Stock of 31st March 2009 Rs. 246000
2. Depreciate machinery @10% p.a
3. Reserve 5% on debtors for doubtful debt
4. Provide 2% on discount on creditors
5. One month rent of Rs. 1350 was due on 31st March 2009
6. Six months insurance was unexpired at Rs. 2250 per annum
7. Provide Rs. 13668 for income tax
8. The board recommends a dividend at 20% per annum
9. Make provision for CDT at 10%
10. Transfer to general reserve the minimum amount required by law.

3. Preliminary expense is :

- (a) Current assets (b) Fictitious assets (c) Current liability
- What is the profit and loss appropriation account. Show the format of a profit and loss appropriation account.
 - Prepare a balance sheet of Mareena products Ltd. as on 31st March 2007 which has an authorised capital Rs. 600000 consisting 60000 shares of 10 each

Goodwill	25000	Premises	370000
Furniture (opening)	7200	Depreciation of the year	360
stock	101000	Sundry debtors	80000
Machinery (opening)	300000	Depreciation charged	30000
Cash in hand	750	Cash at bank	39900
14% Govt securities	60000	Preliminary expenses	2500
Bills payable	38000	Creditors	50000
Provision for taxation	25000	18% debentures	300000
Interest on debentures due	9000	Issued, called up capital	460000
Calls in arrears	7500	General reserve	25000
Addition to general reserve	10000	Loan to MD	2650
Profit and loss accounts	49140		

- Dividend are usually paid on:
 - Authorised capital
 - Subscribed capital
 - paid up capital
 - called up capital
- Profit which are legally available for shareholders is called.....?
- What is TDS?
- The following is the trial balance of X Ltd. As on 31st March 2012

Stock 01.04.2011	75000	Purchase return	10000
Purchases	245000	Sales	340000
wages	30000	Discount	3000
carriage	950	Profit and loss account	15000
furniture	17000	Share capital	100000
Salaries	7500	Creditors	17500
Rent	4000	General reserve	15500
Trade expenses	7050	Bills payable	7000
Interim dividend	9000		
Debtors	27500		
Plant and machinery	29000		
Cash at bank	46200		
Patents	4800		
Bills receivable	5000		
Total	508000	Total	508000

Prepare profit and loss account for the year ended 31st March 2012 and a balance sheet as on that date after considering the following adjustment

- Stock as on 31st March 2012 Rs. 88000
- provision for income tax at 50%

- (c) depreciate plant and machinery at 15%, furniture at 10% and patent at 5%
- (d) outstanding rent Rs. 800 and salaries Rs. 900
- (e) the board recommended a final dividend @ 15%
- (f) Transfer the minimum required amount to general reserve
- (g) provide Rs. 510 for doubtful debt
- (h) provide for CDT at 17%
- (i) provide for managerial remuneration at 10% on profit before tax and provision for doubtful debt.

10. What are contingent liabilities? Give two examples

11. X Ltd has a profit of Rs. 400000 in its balance sheet on 31.3.2010. During the year 2010-2011, it made a further profit of 340000 before providing taxation. Prepare profit and loss appropriation account of the company on 31.3.2011 after taking in to account the effect of the following decisions

- (a) provision for taxation 50% of current year profit
- (b) transfer to general reserve 10% profit after tax
- (c) transfer to dividend equalisation fund Rs. 200000
- (d) dividend to preference shareholders at 6% on 100000
- (e) Dividend to equity shares at 10% on 200000
- (f) development rebate reserve Rs. 50000

12. The following balance sheet appeared in the books of R Ltd. On 31.3.2012

Stock 1.4.2011	60000	sales	347600
purchases	180000	interest	4800
Freight	8000	Reserve fund	32000
Wages	18600	Paid up capital	120000
Salaries	24000	Profit and loss appropriation	64500
Insurance	9200	Creditors	35600
Preliminary expenses	16000	Bills payable	20000
Building	100000	6% debentures	80000
Carriage inward	8400		
Interim dividend	7200		
Bills receivable	32600		
Debtors	29200		
Investment	34000		
Machinery	177300		
Total	704500	Total	704500

Adjustments:

- (a). Closing stock Rs. 43200
- (b) Depreciate machinery at 10%
- (c) provide for doubtful debt 5% on debtors
- (d) transfer 25000 to general reserve
- (e) provide for debenture interest for one year
- (f) write off 20% preliminary expenses

(g) Ignore corporate dividend tax

13. Reserve which is not disclosed by the balance sheet is called:

- (a) capital reserve (b) specific reserve
- (c) secret reserve (d) General reserve

14. Provision for taxation is debited to account

15. What do you mean by dividend?

16. The following are the ledger balances of X Ltd as on 31st March 2012

Building	3072000	Equity capital	4000000
Plant	3300000	12% debentures	3000000
Stock	750000	Profit and loss account	262500
Debtors	870000	Bills payable	370000
Goodwill	250000	Creditors	400000
Bank balances	406500	Sales	4150000
Calls in arrears	75000	General reserve	250000
Interim dividend	392500	Bad debt provision	35000
purchases	1850000		
Preliminary expenses	50000		
Wages	979800		
Salaries	202250		
Office expenses	68350		
Bad debts	21100		
Debentures interest	180000		
Total	12467500	Total	12467500

Additional information:

- (a) Closing stock Rs. 950000
- (b) Depreciate plant by 15%
- (c) write off preliminary expenses Rs. 5000
- (d) provide for half years debenture interest
- (e) maintain provision for doubtful debt at 5%
- (f) provide for taxation Rs. 180000

17. Discount on issue of shares is shown on the of the balance sheet