

100
 5,00,000
 3,00,000
 50,000
 1,00,000
 2,00,000
 3,00,000
 1,50,000

 16,00,000

Investments
 Cash
 Other Current
 To Share Capital Account
 To Share Allotment Account
 To Share Allotment Account (1)
 To Share Calls Account (1)
 To Cash Account (1)

12,750
 53,500

 1,31,475

SHARE ALLOTMENT ACCOUNT

Rs. 40,000

By Share Application Account
 By Share Application Account
 By Cash Account
 By Calls in Advance Account

40,000

By Share Application Account
 By Cash Account

S. P. JAIN
K. L. NARANG

emable preference shares and Debentures w
 Grey Ltd. took the following in this respect
 00 equity shares of Rs. 100 each at a premi
 scribed and paid for.
 investments for Rs. 90,000.
 d a bank overdraft to the extent neces
 on was duly carried out. Prepare the

STATEMENT SHOWING THE AMOUNT

PRACTICAL PROBLEMS IN ADVANCED ACCOUNTING

Marked Application No. of Shares	Proportionate No. of Shares directly applied (Allocated in proportion to gross liability)	Total (2)+(3)	Allocation of excess shares in proportion to gross liability	Total (4)+(5)	Final Deficit (6)-(7)	Amount Receivable @ Rs. 2 per share	Underwriting Commission on nominal value of shares
(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1,02,000	2,500	1,04,500	4,500	1,00,000	—	Rs.	(10,00,000)
95,000	2,500	97,500	1,500	99,000	1,000	2,000	(10,00,000)
60,000	2,500	62,500	1,500	64,000	36,000	72,000	(10,00,000)
32,000	1,000	33,000	600	33,600	6,400	12,800	(4,00,000)
51,000	1,500	52,500	900	53,400	6,600	13,200	(6,00,000)
4,00,000	3,40,000	10,000	3,50,000	3,50,000	50,000	1,00,000	

Balance Sheet of Grey Ltd.
 as at January 1, 1976

issued 30,000 Equity shares of Rs. 120
 e paid off the bank loan and redeem
 Debentures.
 ansactions and show how the Balan
 completed.

Preference Share Capital Account
 re Capital Account
 um Account
 of 6% preference shares of the
 000 into equity shares of Rs. 10
 , 12.50 each)

ount
 Capital Account
 n Account
 f 9% debentures of the nominal value
 uity shares of Rs. 10 each valued at 1
 er share being premium)

Dr. To Equity Shares
 To Bank
 Dr. To Bank
 Dr. To Bank

Problem 1. The following is the Profit and Loss Account for the year ended 31st December, 1977, before providing for the following:

(a) Directors' Commission of 1 per cent on the Net Profit
 (b) Managerial Commission of 10 per cent on Net Profit

MANAGERIAL REMUNERATION

Depreciation on fixed Assets	Rs. 30,000	By Gross Profit
Compensation (voluntary)	5,000	By Profit on Investment (non-trading)
Other expenses	3,40,000	
Net profit	1,45,000	
Total	5,20,000	

VOLUME II

Dr. To Loan and redemption of remaining debentures
 Dr. To Profit and Loss Account
 Dr. To Profit and Loss Account
 Dr. To Profit and Loss Account

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