

5. Flamingo Ltd. Offered for public subscription 5,000 equity shares of Rs. 10 each at a premium of Rs. 2.50 per share payable as follows :

On Application Rs. 2 per share, On Allotment Rs. 4.50 per share (including premium),
On First Call Rs. 4 per share, On Second Call Rs. 2 per share.

Applications were received for 7,500 shares and allotment was made pro-rata to applicants for 5,000 shares, letters of regret being issued for the remaining applications. Money over paid on application by the allottees was adjusted with allotment money. Rahim to whom 100 shares were allotted failed to pay the allotment money and on his failure to pay first call, his shares were forfeited.

Haq, the holder of 150 shares failed to pay last two calls and his shares were forfeited after the second call was made. Of the shares forfeited, 200 were allotted as fully paid up to Karim for Rs. 8 per share paid in cash.

Show the Journal Entries to record the forfeiture and reissue of forfeited shares including those relating to cash, assuming that whole of Rahim's shares have been reissued.

6. ABC Ltd. was incorporated 01/05/2017 to take over the business of DEF and Co. from 01/01/2017. Figures as given by ABC Ltd. for the year ending 31/12/2017 are as under :

	Rs.		Rs.
To rent and taxes	90,000	By gross profit	10,64,000
To salaries including manager's salary of Rs. 85,000	3,31,000	By interest on investments	36,000
To carriage outward	14,000		
To printing and stationary	18,000		
To interest on debentures	25,000		
To sales commission	30,800		
To Bad debts (related to sales)	91,000		
To underwriting commission	26,000		
To preliminary expenses	28,000		
To Audit fees	45,000		
To loss on sale of Investments	11,200		
To net profit	3,90,000		
Total	11,00,000	Total	11,00,000

Prepare a statement of profit and loss showing allocation of pre-incorporation and post-incorporation profits after considering the following information :

- G.P. ratio was constant throughout the year.
- Sales for January and October were $\frac{3}{2}$ times the average monthly sales while sales for December were twice the average monthly sales.
- Bad debts are shown after adjusting a recovery of Rs. 7,000 of Bad debt for a sale made in July, 2015.
- All Investments were sold in April, 2017.
- Manager's Salary was increased by 2,000 p.m. from 01/05/2017.

7. Following balances are extracted on 31st March, 2016 from the books of CEE BEE Ltd.

	Rs.		Rs.
Factory premises at cost	4,50,000	Share capital : 30,000, 7% Preference Shares of Rs. 10 each 60,000 equity shares of Rs. 10 each	3,00,000 6,00,000
Plant and Machinery at cost	3,49,160	Surplus A/C	16,240
Motor Lorries at cost	73,000	Gross Profit for the year	2,46,640
Sundry Debtors	1,21,780	Provision for doubtful debts	9,000
Bad debts written off	2,850	Sundry Creditors	1,29,640
Rent, Rates and Taxes	28,400	Transfer Fees	110
Advertisement	19,500	Accrued Wages	12,840
Cash in Hand and in Bank	68,500	Staff benevolent fund	17,900
Director's Fees	3,600		
Audit Fees	10,000		
Stock on 31.03.2016	1,14,600		
Rent and Taxes paid in advance	7,980		
Salaries and Wages	32,000		
Dividends paid on : On Preference Shares : On Equity Shares (Interim)	21,000 15,000		
Patents	15,000		
Total	13,32,370	Total	13,32,370

The provision of doubtful debts is to be made upto Rs. 10,200. The factory Premises, Plant and Machinery and Motor Lorries are to be depreciated by 3%, 15% and 20% respectively. The Authorized Capital of the company is Rs. 10,00,000 divided into 1,00,000 shares of Rs. 10 each. You are required to prepare:

- Statement of Profit and Loss Account.
- Balance sheet in the form prescribed under companies act, 2013. You need not required corporate dividend tax.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.