

14. From the following particulars furnished by Ronak Limited, prepare the Balance Sheet as at 31st March, 2019 as required by Scheduled-III of the Companies Act, 2013 :

Particulars	Debit Rs.	Credit Rs.
Equity Share Capital (Face value of Rs. 100)	-	20,00,000
Calls-in-arrears	2,000	-
Land	4,00,000	-
Building	7,00,000	-
Plant and Machinery	10,50,000	-
Furniture	1,00,000	-
General Reserve	-	4,20,000
Loan from State Finance Corporation	-	3,00,000
Stocks : Finished Goods	4,00,000	-
Raw materials	1,00,000	-
Provision for taxation	-	1,36,000
Sundry Debtors	4,00,000	-
Advances	85,400	-
Proposed dividend	-	1,20,000
Profit and Loss Statement - Surplus	-	2,00,000
Cash balance	60,000	-
Cash at Bank	4,94,000	-
Preliminary expenses	26,600	-
Loans (unsecured)	-	2,42,000
Sundry Creditors (for goods and expenses)	-	4,00,000
	38,18,000	38,18,000

Additional Informations :

- 4,000 equity shares were issued for consideration other than cash.
- Debtors of Rs. 1,04,000 are due for more than six months.
- Cost of Assets were as under :

Building	Rs. 8,00,000
Plant and Machinery	Rs. 14,00,000
Furniture	Rs. 1,25,000
- The Balance of Rs. 3,00,000 in the Loan A/c of State Finance Corporation is secured by hypothecation of Plant & Machinery includes Rs. 15,000 interest accrued.
- Bills Receivables of Rs. 5,50,000 maturing on 30th June, 2019 have been discounted.
- The company had contract for the erection of machinery of Rs. 3,00,000 which is still incomplete.

[Guj. Uni., F.Y., Nov. 2017]

[Ans. : Share Capital Rs. 19,98,000, Reserves and Surplus Rs. 5,93,400 (4,20,000 + 2,00,000 - 26,600 Preliminary expenses written off as per AS-26).

22. Following are the balances of Jay Co. Ltd. as on 31-3-2019 :

Debit Balances		Credit Balances	
	Rs.		Rs.
Land & Building	5,95,000	Equity Share Capital	7,00,000
Plant & Machinery	4,02,500	7.5% Pref. Share Capital	3,50,000
Furniture	1,12,000	General Reserve	3,15,000
Investments	5,79,950	Capital Reserve	1,92,500
Investment of Deb. Red. Fund	70,000	Share Forfeiture A/c	15,750
Spare parts	42,000	Securities Premium	57,750
Debtors	2,31,000	5% Debentures	1,75,000
Productive Wages	1,23,200	Provident Fund	45,500
Preliminary Expenses	21,000	Creditors	1,15,500
Calls-in-arrears	35,000	Bank Loan	88,900
Opening stock	1,16,550	Income from Investments	33,250
Income tax	98,000	Public Deposits	51,100
Cash and Bank	37,800	Deb. Redemption Fund	70,000
Salaries	1,99,500	Bad Debts Reserve	10,500
Rent & taxes	70,000	Profit & Loss A/c	19,250
Postage & telegrams	22,750	Sales	9,10,000
Contribution in Provident Fund	8,750		
Purchases	3,72,750		
Director Fees	12,250		
	<u>31,50,000</u>		<u>31,50,000</u>

Adjustments :

- (1) Transfer Rs. 87,500 to General Reserve.
- (2) Provide 5% reserve for bad debts on debtors.
- (3) Stock on 31-3-2019 was Rs. 3,33,900.
- (4) Write off preliminary expenses.
- (5) Outstanding Expenses : Salaries Rs. 10,500, Postage & telegram Rs. 5,250, Productive wages Rs. 8,750.
- (6) Prepaid rent amounted to Rs. 7,000.
- (7) Provide depreciation on Furniture at 5%, on Plant-machinery at 2% and on Land-building at 4%.
- (8) The directors of the Company recommended 10% dividend on equity share capital and 7.5% dividend on preference share capital.

40. Following is the Balance Sheet of Malay Ltd. as on 31-3-2019 :

Particulars	Notes	Rs.
I. EQUITY AND LIABILITIES :		
(1) Shareholders' Funds :		
(a) Share Capital :		
2,000 Equity Shares of Rs. 100 each, fully paid up		2,00,000
4,000, 7% Red. Pref. Shares of Rs. 100 each, Rs. 80 paid up		3,20,000
(b) Reserves and Surplus :		
Capital Reserve		80,000
General Reserve		1,80,000
Profit & Loss A/c		2,00,000
Total		<u>9,80,000</u>
II. ASSETS :		
(1) Non-Current Assets :		
(a) Fixed Assets :		
(i) Tangible Assets		4,00,500
(ii) Intangible Assets : Goodwill		1,44,500
(b) Non-Current Investments		
		2,25,000
(2) Current Assets (including cash)		
		2,10,000
Total		<u>9,80,000</u>

It is decided to redeem preference shares at 10% premium. For that purpose investments were sold for Rs. 3,10,000 and new 2,000, 8% Preference shares of Rs. 100 each were issued at 10% premium and were fully paid up. Then Bonus shares were given to existing shareholders from the resultant reserve created out of the redemption of preference shares.

Pass necessary journal entries in the books of the company and prepare the Balance Sheet.

[Sau. Uni., S.Y., Nov. 2019]

[Ans. : (1) Firstly a call of Rs. 20 is to be made on Pref. shares to make 7% Pref. shares fully paid up (4,000 shares \times Rs. 20 = Rs. 80,000), (2) Total amount for Red. of Pref. shares required is Rs. 4,40,000 (7% Redeemable Pref. shares Rs. 4,00,000 + 10% Redemption premium Rs. 40,000), (3) Profit on sale of Investments Rs. 85,000 will be credited to P & L A/c, (4) From General Reserve Rs. 1,80,000 and from Profit & Loss A/c Rs. 20,000 will be transferred to Capital Red. Reserve A/c, (5) Provision for Red. Premium on Pref. shares Rs. 40,000 will be made from Securities Premium Rs. 20,000 and from Profit & Loss A/c Rs. 20,000, (6) Bonus shares of Rs. 2,00,000 will be issued out of Cap. Red. Reserve, (7) Total Balance Sheet Rs. 9,25,000]

32. Following is the Balance Sheet of Aishwarya Ltd. as on 31-3-2019 :

Particulars	Notes	Rs.
I. EQUITY AND LIABILITIES :		
(1) Shareholders' Funds :		
(a) Share Capital :		
5,000 Equity Shares of Rs. 100 each, Rs. 80 paid up		4,00,000
2,000 Red. Pref. Shares of Rs. 100 each, Rs. 80 paid up		1,60,000
(b) Reserves and Surplus :		
General Reserve		2,40,000
Profit & Loss A/c		40,000
Securities Premium		15,000
(2) Current Liabilities :		
(a) Trade Payables : Creditors		1,15,000
Total		9,70,000
II. ASSETS :		
(1) Non-Current Assets :		
(a) Fixed Assets		6,00,000
(b) Non-Current Investments		50,000
(2) Current Assets :		
(a) Inventories : Stock		80,000
(b) Trade Receivables : Debtors		2,00,000
(c) Cash and Cash Equivalents : Cash & Bank		40,000
Total		9,70,000

It is decided to redeem Preference Shares at 5% Premium. For this purpose the company issued equity shares of Rs. 100 each at par in required numbers, so that Cash and Bank balance can be maintained at Rs. 50,000. All investments are sold for Rs. 40,000. All Preference Shareholders are paid in full.

After redemption, the company decided to utilize Capital Redemption Reserve and to some extent General Reserve for the following :

(1) To issue bonus of Rs. 20 per equity share to make it fully paid up.

(2) To issue 1 Equity share as bonus for 5 shares held.

Pass the Journal Entries in the books of the company. Prepare new Balance Sheet of the company.

43. The balances in the books of ABC Ltd. as on 31-3-2019 are as under :

Particulars	Rs.	Particulars	Rs.
72,000 Equity Shares of Rs. 10 each	7,20,000	Plant & Machinery	6,30,000
45,000, 6% Cum. Pref. Shares of Rs. 10 each	4,50,000	Dep. on Plant - Machinery	1,35,000
Securities Premium	1,35,000	Stock (31-3-2019)	3,33,000
15% Debentures	2,25,000	Debtors	78,750
Outstanding interest on Debentures	11,250	Profit & Loss A/c	2,47,500
Building	3,15,000	Preliminary Expenses	1,12,500
		Patent & Trademarks	94,500
		Creditors	1,17,000
		Goodwill	45,000
		Dep. on Building	63,000

The company has following resolution which was sanctioned by the Tribunal :

- (1) The value of Equity share is to be reduced to Rs. 1.25.
- (2) The value of Preference share is to be reduced to Rs. 9.
- (3) Securities Premium and Intangible and Fictitious Assets are to be written off.
- (4) Plant and Machinery were valued at Rs. 2,25,000.
- (5) Dividend on preference shares is outstanding from April, 2015. Ordinary share of Rs. 1.25 is to be given for Rs. 10 each of pref. shares dividend.
- (6) Debenture holders have waived their rights of interest.

Pass necessary journal entries and prepare revised Balance Sheet.

[Sau. Uni., S.Y., April, 2019]

[Ans. : Amount credited to Capital Reduction A/c Rs. 8,21,250 (Eq. share capital Rs. 6,30,000 + 6% Pref. share capital Rs. 45,000 + Securities Premium Rs. 1,35,000 + Outstanding Debenture Interest Rs. 11,250 = Rs. 8,21,250), Utilisation Rs. 7,83,000 (Goodwill Rs. 45,000 + Profit & Loss A/c (Dr.) Rs. 2,47,500 + Preliminary expenses Rs. 1,12,500 + Patents-Trademarks Rs. 94,500 + Plant & Machinery Rs. 2,70,000 + Pref. Dividend Rs. 13,500 = Rs. 7,83,000), Balance of Rs. 38,250 will be transferred to Capital Reserve A/c. Total of New Balance Sheet Rs. 8,88,750.]

36. The Balance Sheet of Radhika Ltd. as on 31-3-2019 was as follows :

Particulars	Notes	Rs.
I. EQUITY AND LIABILITIES :		
(1) Shareholders' Funds :		
(a) Share Capital :		
Equity Shares of Rs. 100 each fully paid		3,20,000
8% Pref. Shares of Rs. 100 each		1,60,000
(b) Reserves & Surplus : Profit & Loss A/c (Dr.)		(48,000)
(2) Non-Current Liabilities :		
(a) Long Term Borrowings :		
10% Debentures		1,60,000
Directors' Loan		64,000
(3) Current Liabilities :		
(a) Trade Payables : Creditors		80,000
(b) Other Current Liabilities :		
Accrued interest on Debentures		16,000
Bank Overdraft		38,400
Total		<u>7,90,400</u>
II. ASSETS :		
(1) Non-Current Assets :		
(a) Fixed Assets :		
(i) Tangible Assets :		
Freehold Property		1,60,000
Plant and Machinery		2,16,000
(ii) Intangible Assets : Goodwill		80,000
(b) Non-Current Investments		80,000
(c) Other Non-Current Assets :		
Preliminary Expenses		32,000
(2) Current Assets :		
(a) Inventories : Stock		1,44,000
(b) Trade Receivables : Debtors		78,400
Total		<u>7,90,400</u>

The scheme of capital reduction sanctioned by the Tribunal is as under :

- (1) Equity Shares are to be written down by Rs. 80 each.
- (2) Preference Shares are to be written down to Rs. 60 each.
- (3) The Debenture holders agreed to have their accrued interest paid in cash and to take over Freehold Property, having a book value of Rs. 80,000 at a valuation of Rs. 1,12,000 in part payment of amount due to them.
- (4) The Directors accept settlement of their loan as to 80% of thereof by allotment of Equity Shares, 10% in Cash and the balance being waived.
- (5) The remaining amount is to be utilised in writing down Plant and Stock in the proportion to their book values.

You are required to show the Journal Entries and Balance Sheet after Capital Reduction.

1. Explain the Meaning and Concept of Corporate Social Responsibility (CSR).
2. Write note on Stakeholders of the Company
3. Explain the Characteristics of CSR.
4. Discuss the Advantages of CSR.
5. Explain the Principles of CSR.
6. Present the Pyramid of CSR.
7. Explain the Long-term streams of Income (Sustainability).
8. Discuss the Applicability of Section 135 (1) related to CSR.
9. Discuss the Composition, Role and Responsibility of CSR Committee U/s 135.
10. Discuss the Provisions of Schedule-VII Regarding CSR Activities.
11. Give List of CSR Activities.
12. Discuss the Provisions Regarding CSR Expenditure.
13. Discuss the Objectives of CSR Policy.