



# AnandNiketan

## Maninagar Campus

<b>Grade : XII</b>	<b>Subject : Accounts</b>	<b>Chapter no- 1,5,6,7</b>
<b>Date :21/06/2019</b>	<b>Worksheet</b>	<b>Module II</b>

**Question 1** The current ratio of a co. is 2:1. State giving reasons which of the following transactions would improve , reduce or not alter the current ratio

1. Repayment of current liability
2. Purchasing goods on credit
3. Sale of office typewriter ( book value Rs 4000) for RS 3000.
4. Sale of merchandise (cost Rs 10000) for Rs 11000
5. Payment of dividend
6. Sale of motor car for cash for RS 15000
7. Redemption of debentures
8. Cash received from debtors
9. Debentures converted into shares.
10. Purchase of investments.

**Question 2 Solve the following:**

1. Capital employed 400000 , fixed assets 280000 , current liabilities 40000. There are no long term investments. Calculate current ratio.
2. Total assets 1000000, total debt 800000, current liabilities 400000. Calculate debt-equity ratio.
3. Long term debt 200000, capital employed 300000, current liabilities 100000. Calculate total assets-debt ratio.
4. Long term debt 600000, shareholders fund 300000, current liability 300000. Calculate total asset –debt ratio.
5. A firm had a current liability of 90000. It then acquired stock in trade at a cost of Rs 10000 on credit. After this acquisition the current ratio was 2:1. Determine the size of current assets & working capital before & after the stock was acquired.
6. Calculate opening & closing debtors from the following: Stock turnover ratio 3 times , Average debt collection period 4 months , average stock 100000, Cash sales being 33 1/3% of credit sales , Gross profit ratio 25%, Debtors at end 3 times more than in the beginning.

**Question 3** With the formatting process, Prepare comparative and common size

balance sheets for the year 2018 and 2019

### Assets

#### Current Assets:

Cash	500	600
Accounts Receivables	2,000	3,000
Inventory	1,500	2,500
Total Current Assets	4,000	6,100
Fixed Assets: Buildings	3,000	4,000
Furniture & office equipment	1,000	1,500
Total Fixed Assets	4,000	5,500
Total Assets	8,000	11,600

### Liabilities:

Current Liabilities:		
Accounts Payable	1,000	1,200
Notes Payable	500	500
Interest Payable	100	120
Total Current Liabilities	1,600	1,820
Shareholder's Equity: Common Stock 5,000 7,500		
Retained earnings	1,400	2,280
Total Stockholder's equity	6,400	9,780
Total Liabilities & Stockholder's equity	8,000	11,600

Question 5 On 1 st April, 20 12, Vishwas Ltd. was formed with an authorised capital Of Rs.10,00,000 divided into 1,00,000 equity shares of Rs.10 each. The Company issued prospectus inviting applications for 90,000 equity shares. The company received applications for 85,000 equity shares. During the first year, Rs.8 per share were called. Ram holding 1,000 shares and Shyam holding 2,000 shares did not pay the first call of Rs.2 per share; Shyam's shares were forfeited after the first call and later on 1,500 of the forfeited shares were re-issued at Rs.6 per share, Rs.8 called up. Pass Journal entries for the Forfeiture and Reissue in the following cases:

- (a) P Ltd- forfeited 200 shares of Ravi of Rs.10 each Rs.8 called-up, on which he had paid application and allotment money of Rs.3 per share. Out of these, 100 shares were reissued as fully paid-up for Rs.8 per share.
- (b) R Ltd. forfeited 600 shares of Rs.10 each, on which first call of Rs.3 per share was not received; the second and final call of Rs.2 per share has not yet been called. Out of these, 200 shares were reissued as Rs.8 paid-up for Rs.7 per share.

**Question 6** Vaibhav Ltd. issued Rs.5,00,000 new capital divided into Rs.50 per share at a premium of Rs.10, payable as under:

on Application - Rs.5 per share

On Allotment - Rs.20 per share (including premium of Rs.5 per share)

On First and Final Call - Rs.35 per share (including premium of Rs.5 per share)

Overpayments on application were to be applied towards sums due on allotment and first and final call. Where no allotment was made, money was to be refunded in full.

The issue was oversubscribed to the extent of 13,000 shares. Applicants for 12,000 shares were allotted only 2,000 shares and applicants for 3,000 shares were sent letters of regret. Shares were allotted in full to the remaining applicants. All the money due was duly received.

- (i) Which value has been affected by rejecting the applications of the applicants who had applied for 3,000 shares?
- (ii) Suggest a better alternative for the same.
- (iii) Give journal entries to record the above transactions (including cash transactions) in the books of the company.

**Question 7** With the formatting process, Prepare comparative and

common size balance sheets for the year 2018 and 20119

#### Assets

Current Assets:

Cash 500 600

Accounts Receivables 2,000 3,000

Inventory 1,500 2,500

Total Current Assets 4,000 6,100

Fixed Assets: Buildings 3,000 4,000  
Furniture & office equipment 1,000 1,500  
Total Fixed Assets 4,000 5,500  
Total Assets 8,000 11,600

**Liabilities:**

Current Liabilities:

Accounts Payable 1,000 1,200  
Notes Payable 500 500  
Interest Payable 100 120  
Total Current Liabilities 1,600 1,820  
Shareholder's Equity: Common Stock 5,000 7,500  
Retained earnings 1,400 2,280  
Total Stockholder's equity 6,400 9,780

Total Liabilities & Stockholder's equity 8,000 11,600

**Question 8 Answer in short:**

1. Name different types of Share Capital.
2. What is meant by 'Minimum Subscription'?
3. How is a company's balance sheet different from that of a Partnership firm?
4. List the items covered under the following headings:  
(i) Fixed Assets (ii) Current Assets, Loans & Advances (iii) Secured Loans (iv) Miscellaneous Expenditure (v) Reserves & Surplus (vi) Unsecured Loans (vii) Current Liabilities & Provisions
5. How are the assets & liabilities of a Co. & a firm marshalled?

