

(v)	Preference Dividend Bank Account To Bank Account (Being transfer of cash to preference dividend bank account)	Dr.	30,000	30,000
(vi)	Preference Dividend Account To Preference Dividend Bank Account (Being payment of preference dividend)	Dr.	30,000	30,000
(vii)	Surplus To Bonus Issue Account (Capitalisation of divisible profits for making partly shares as fully paid)	Dr.	4,00,000	4,00,000
(viii)	Equity Share Final Call Account To Equity Share Capital Account (Being final call of ₹ 5 made on 80,000 equity shares)	Dr.	4,00,000	4,00,000
(ix)	Bonus Issue Account To Equity Share Final Call Account (Being Issue of bonus shares)	Dr.	4,00,000	4,00,000
(x)	Securities Premium Account General Reserve Account To Bonus Issue Account (Being capitalisation of securities premium account and general reserve for issuing fully paid bonus shares to existing equity shareholders)	Dr. Dr.	2,50,000 1,50,000	4,00,000
(xi)	Bonus Issue Account To Equity Share Capital Account (Being issue of fully paid bonus shares)	Dr.	4,00,000	4,00,000
(xii)	Surplus Account To Equity Dividend Account To Corporate Dividend Tax Account (Being declaration of equity dividend)	Dr.	1,87,192	1,60,000 27,192
(xiii)	Equity Dividend Bank Account To Bank Account (Being payment of equity dividend)	Dr.	1,60,000	1,60,000
(xiv)	Equity Dividend Account To Equity Dividend Bank Account (Being payment of equity dividend)	Dr.	1,60,000	1,60,000
(xv)	Corporate Dividend Tax Account To Bank Account [Being payment of Corporate Dividend Tax (5,099 + 27,192) on preference and equity dividend]	Dr.	32,291	32,291

**Illustration 14 (Final Accounts)**

The following are the balances of Johri Aabhushan Bhandar Co. Ltd. as on 31 March, 2013 :

Credit Balance	₹	Debit Balance	₹
Share Capital ( ₹ 100 Shares)	40,00,000	Premises	30,72,000
12% Debentures	30,00,000	Plant	33,00,000
Profit and Loss Statement	4,00,000	Stock	7,50,000
Bills payable	3,70,000	Debtors	8,70,000

## Final Accounts of Companies

Creditors	4,00,000	Goodwill	2,50,000
<i>P&amp;L</i> Sales	41,50,000	Cash and Bank	5,44,000
General Reserve	2,50,000	Calls in Arrear	75,000
<i>P&amp;L</i> Bad-Debts Provision on 01.04.2012	35,000	Interim Dividend Paid <i>TL</i>	3,92,500
		Purchases <i>P&amp;L</i>	18,50,000
		Preliminary Expenses <i>TL</i>	50,000
		Wages <i>P&amp;L</i>	9,79,800
		General Expenses <i>P&amp;L</i>	68,350
		Salaries <i>P&amp;L</i>	2,02,250
		Bad-debts <i>P&amp;L</i>	21,100
		Debentures Interest paid <i>TL</i>	1,80,000
	<u>1,26,05,000</u>		<u>1,26,05,000</u>

## Informations :

- P&L* (i) Depreciate plant by 15%. *TL*
- P&L* (ii) Write off ₹ 5,000 from preliminary expenses. *TL*
- P&L* (iii) Half year's Debenture Interest due.
- P&L* (iv) Create 5% provision on debtors for doubtful debts.
- P&L* (v) Provide for income tax @ 50%.
- P&L* (vi) Stock on 31 March, 2013 was ₹ 9,50,000.
- (vii) A claim of ₹ 25,000 for workmen compensation is being disputed by the company.
- (viii) The Board declared a dividend of 12% on paid up capital including interim dividend *after a transfer of 22% of net profits to G.R.*
- (ix) The Corporate Dividend Tax is 17%.

Prepare Final Accounts of the company.

[B. Com. (Hons.) Delhi]

**Johri Abhushan Co.**  
**Balance Sheet As At 31 March 2013**

	Particulars	Note	₹	₹
I	<b>EQUITY AND LIABILITIES</b>			
	(i) Shareholders' Funds			
	(a) Share Capital	1		39,25,000 ✓
	(b) Reserves and Surplus	2		2,78,930 ✓
	Sub Total			<u>42,03,930</u> ✓
	(ii) Non-current Liabilities			
	Long-term Borrowings	3		<u>30,00,000</u> ✓

13. Employee Benefit Expenses		
Wages		9,79,800
Salaries		2,02,250
		<u>11,82,050</u>
14. Finance Costs		
Debenture Interest:		
Paid		1,80,000
Accrued and due		1,80,000
		<u>3,60,000</u>
15. Depreciation Expenses		
On Plant: 15% on ₹ 33,00,000		4,95,000
16. Other Expenses		
Bad Debts		
Add: New Provision		21,100
		<u>43,500</u>
Less: Existing Provision		64,600
		<u>35,000</u>
General Expenses		29,600
		<u>68,350</u>
Preliminary Expenses written off		5,000
		<u>1,02,950</u>

Contingent liability of ₹ 25,000 for workman compensation.

### Illustration 15 (Final Accounts)

The Auto Parts Manufacturing Co. Ltd. was registered with an authorised capital of ₹ 10,00,000 divided into shares of ₹ 10 each of which 40,000 shares had been issued and fully paid. The following is the Trial Balance extracted on 31 March, 2013

Particulars	Debit ₹	Credit ₹
Stock (April 1, 2012)	1,86,420	
Purchase and Sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing Wages	1,09,740	—
Sundry Manufacturing Expenses	19,240	—
Carriage Inward	4,910	—
18% Bank Loan (Secured)		50,000
Interest on Bank Loan	4,500	—
Office Salaries	17,870	—
Auditors' Fees	8,600	—
Director's Remuneration	26,250	—
Preliminary Expenses	6,000	—
Freehold Premises	1,64,210	—
Plant and machinery	1,28,400	—
Furniture	5,000	—
Loose Tools	12,500	—
Debtors and Creditors	1,05,400	62,220

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(e)	



Cash in hand	19,530	—
Cash at Bank	96,860	—
Advance payment of Tax	84,290	—
Surplus on 1 April, 2012	—	38,640
Share Capital	—	4,00,000
	17,30,610	17,30,610

You are required to prepare Profit and Loss Statement for the year ended 31 March, 2013 and a Balance Sheet as at that date after taking into consideration the following adjustments :

- P12 (i) On 31 March 2013 outstanding Manufacturing Wages and outstanding Office Salaries stood at ₹ 1,890 and ₹ 1,200 respectively. On the same date, stock was valued at ₹ 1,24,840 and Loose Tools at ₹ 10,000.
- P12 (ii) Provide for interest on Bank Loan for 6 months.
- P12 (iii) Depreciation on Plant and Machinery is to be provided @ 15% while on Office Furniture it is to be @ 10%.
- P12 (iv) Write off one third of balance of Preliminary Expenses.
- P12 (v) Make a Provision for Income Tax @ 50%.
- (vi) The directors recommended a maiden (first) dividend @ 15% for the year ending 31 March, 2013 after a transfer of 5% of net profits to General Reserve.
- (vii) Corporate Dividend Tax 18%. [B. Com. (Hons.) Delhi]

**Auto Parts Manufacturing Co. Ltd.**  
**Balance Sheet As At 31 March 2013**

	Particulars	Note	₹	₹
I	<b>EQUITY AND LIABILITIES</b>			
	<b>1. Shareholders' funds</b>			
	(a) Share capital	1	4,00,000	
	(b) Reserves and Surplus	2	50,000	4,50,000
	<b>2. Non-current liabilities</b>			
	Long-term Borrowings	3		50,000
	<b>3. Current Liabilities</b>			