

ADD

SBL

Int Rec

Int.

Amalgamation

+ AS-13

Test Tuesday.

3:30 pm — 5:00 pm.

## Capitalisation of Profit

Reserve Dr  
to Ep Sh cap

## Bonus Shares

If partly Paid shares are made fully paid w/o making calls

They are new fully paid Shares issued to existing S/H.

Total No. of Share do not rise

Total No. of Shares rises

Given to Partly Paid S/H

Given to Fully Paid S/H.

Reserve → GR  
→ P&L

Reserve → CR  
→ Sec prem  
→ GR  
→ P&L

121/5.

Class A's bonus

$$90000 \times \frac{2 \times 10}{1} = 1800000$$

Class B's Capitalisation

$$\text{of Profit } 20000 \times 5 = \underline{100000}$$

$$\underline{190000}$$

Gen Res Dr 1800000  
to Ep Sh. Cap 1800000

Gen Res Dr 100000  
to Ep Sh. Capital 100000



		Dr	Cr
⑤ 7			
1 $\frac{4}{08}$	Sh. final call a/c Dr to Ep Share Capital	180000	180000
20 $\frac{4}{08}$	Bank a/c Dr to Sh. final call	180000	180000
	Security prem Dr Gen Reserve Dr P&L a/c Dr to Ep Sh. Capital	25000 120000 80000	225000
1 $\frac{7}{08}$	12% Debenture Dr to Equity Share Capital	100000	100000

Total shares  
 =  $900000 \times \frac{1}{4}$   
 = 225000

- Sec prem 25000
- GR 120000
- P&L 80000

← 20% 500000

# Adj of Stock

# ST. of P&L

Case 1:

T/B

	Dr	Cr.
opening stock		
R/M	10000	
WIP	15000	
F/G	30000	
Purchase	50000	

Material Consumed

op + Purc - cl  
 $10000 + 50000 \rightarrow 15000$

Change in Stock.  
 op - cl of WIP & F/G. (30000)  
 $45000 - 75000$

495000

B/S

CA

Inventories

R/M 15000  
 other 75000.

## Adjustment

1) By physical valuation, cl stock is of 90000, out of which 15000 is of R/M

Case 2 .

	T/B	
	Dr	Cr.
<del>Adj</del> Purchases	60000	
Cl. Stock	25000	

If cl. stock is present in T/B Means it has adjusted the op Stock & Purchase to find Material Consumed

→ Material Consumed.

→ B/S.

Case 3

T/B

	Dr	Cr.
Purchases	400000	
op Stock	25000	
	-	

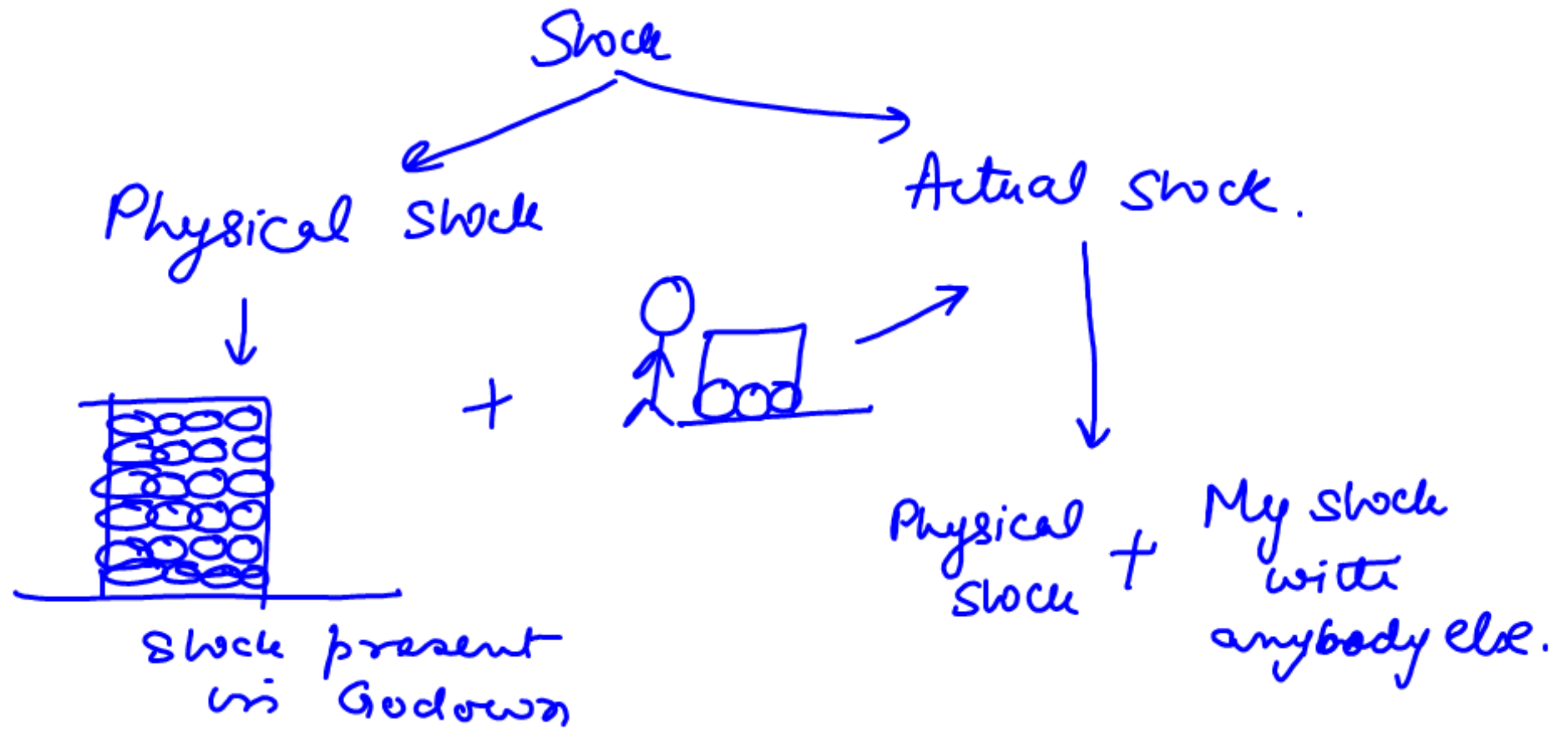
Adj:

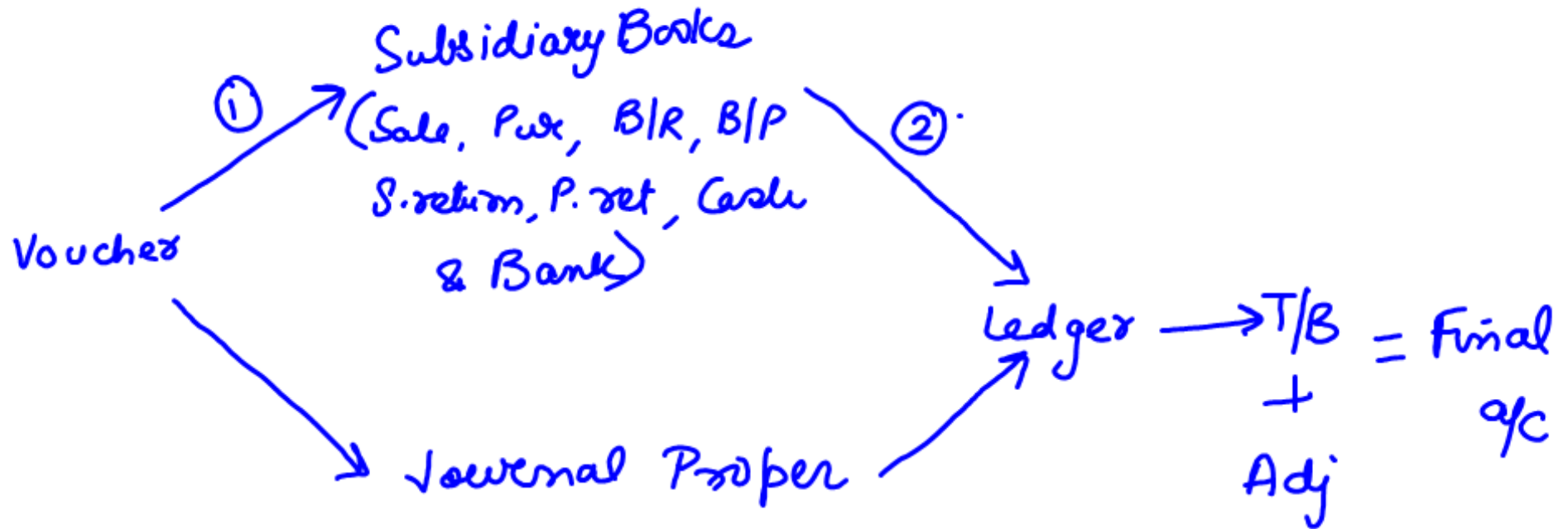
1) Physical Stock on 31/3 is 40000  
in godown

2) There were goods worth  
Rs 30000 with consignee which  
was at 50% above cost

$$\begin{array}{r}
 \text{SP } 30000 \\
 P \frac{1}{2}C = \frac{1}{3}S \quad 10000 \\
 \hline
 C \quad 20000
 \end{array}$$







- ① both a/c are wrong  $\therefore$  <sup>both</sup> to be adjusted
- ② Only ledger is wrong  $\therefore$  adjusted then Suspense a/c.

# Ageing Analysis



We show Debtors as divided in different categories

- 0-6 months
- 6 months - 1 yr
- above 1 yr

B/s	
Drs.	xxxx.

- ① Better assessment of debtors
- ② Better recovery procedures
- ③ Prepare Proper Provision for disc & DD.

# Debtors

Bad debts

Sound d/s  
→ - prov for DD

Good d/s  
→ - prov for disc .xxx

# Entry for bad debt

Bad debt Dr  
to debtors

Prov for DD / P&L Dr  
to Bad debt

[ P&L Dr  
to provision

Case 1	T/B	
	Dr	Cr
Debtors	50000	
Bad debt	20000	
Provision for DD		27000

Adj: There was a bad debt of 15000. Prepare Provision for doubtful debts @ 5%.

50000  
 - 15000  
 -----  
 485000  
 x 5%  
 -----  
 24250

Provision for DD Dr 20000  
 to Bad debt 20000

Bad debt Dr 15000  
 to Debtors 15000

Provision for DD Dr 7000  
 P&L Dr 8000  
 to Bad debt 15000

P&L Dr 24250  
 to provision for DD 24250

	T/B Dr	Cr
DOS	40000	
Bad Debt	2000	
Prov for DD		54000

Adj: Mr X a debtor, who owed Rs 10000 became insolvent & he paid only 0.40 in a rupee. Prepare Prov for DD @ 2%.

Prov for DD Dr 2000  
to Bad debt 2000

Bank Dr 4000

Bad debt Dr 6000

to DOS 10000

Prov for DD Dr 6000

to Bad debt 6000

100000  
- 10000  
-----  
390000  
x 2%  
-----  
= 7800

Prov Bal  
54000  
- 2000  
- 6000  
-----  
28000

Prov for DD Dr 20200  
to P&L 20200

→ 20200 w/o

## Cash & Bank

Cash Includes

- 1) Indian Currency Notes
- 2) " " Coins
- 3) " Stamps
- 4) Post dated cheques
- 5) Foreign Currency  
Converted in rate  
as on 31/3

Bank balance should  
be per cashbook

& NOT PASSBOOK.

