

Financial Accounting

Roll no- 1061

1. The balance sheet of XYZ ltd as on 31st march 2019 revealed the following:

Liabilities	Rs	Asset	Rs	Rs
Share capital (Issued)		Fixed Assets	900000	
Equity shares of Rs 10 each Rs 8 Paid	800000	Less:-depreciation	110000	790000
Reserves	200000	Goodwill		80000
Profit and Loss account	20000	Current Asset		490000
10% Debentures	100000	Discount on Debenture		10000
Current liability	250000			
	1370000			1370000

1)Fixed assets and goodwill were revalued at RS 750000 and Rs 100000respectively

2)The net Profit after tax for the immediately preceding three years were Rs 110000, RS105000 and Rs 145000 of which 25% were transferred to reserves.

3)A fair return in the industry in which the company is engaged is considered to be 10% Compute the value of company's share by :

i)Net Asset Value Method ii)Yield value method iii)Fair Value Method

2. Following is the balance sheet of Ganesh ltd as on 31.3.2016

Liabilities	Rs	Assets	Rs
share Capital :			
25000 Equity shares of RS 100each fully paid	2500000	Fixed Assets	1500000
10000 9 % redeemable Preference share of Rs 100 each Rs 90 per share paid up	900000	Investment	
General Reserve	300000	market value(RS 1001000)	1000000
Profit and loss A/c	299000	Bank Balance	50000
Dividend Equalization Reserve	200000	other current Asset	2000000
Sundry creditors	351000		
	4550000		4550000

On 1st April 2016,the company made a call of Rs 10 each on its preference shares and call money was duly received .All preference shares were redeemed at a premium of 2 % . The company sold all its investment at market value. For the purpose of redemption,the company issued minimum number of equity shares at a premium\$ of 10% after utilising available resources to the maximum extend,keeping in view the provision of the companies act 2013.pass the necessary journal entry.

3. What are the benefits of buy back of shares?

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