

27. The following is the extract of Trial Balance of Ethics Ltd. as on 31-3-2019 :

| | |
|--|----------|
| (1) Equity share capital (3,000 equity shares of Rs.100 each fully paid) | 3,00,000 |
| (2) Redeemable Pref. share capital (1,000 shares of Rs. 100 each, Rs. 80 paid up) | 80,000 |
| (3) General Reserve | 70,000 |
| (4) Securities Premium | 20,000 |
| (5) Bank Balance | 2,50,000 |

The company decides to redeem pref. shares at 10% premium after complying with legal provisions. New equity shares in necessary numbers are to be issued.

The company has decided to issue one bonus share for ten equity shares. Capital Redemption Reserve is to be used for this purpose.

Write necessary entries in the company's books.

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Authorised capital of Voraji Ltd. was 5,00,000 shares of Rs. 10 each, out of this 40% shares were issued at 10% premium. The whole issue was fully underwritten by Paresh, Prakash and Yogesh as follows :

Paresh 50%, Prakash 30%, Yogesh 20%

In Addition to the above underwriting, there was firm underwriting as follows :

Paresh 10,000, Prakash 6,000, Yogesh 4,000

Total subscription received was for 1,80,000 shares, including marked applications but excluding firm underwriting. The marked applications were as follows :

Paresh 80,000, Prakash 40,000, Yogesh 40,000

Determine the liabilities of individual underwriters if credit for firm underwriting is given to underwriters and calculate the amount of commission for underwriters as per Companies Act.

SHORT NOTES ON :

The provisions of Companies Act relating to Capital Reduction.

CO : III : EX : April 2012, 2013, 2014, 2015

and Marine Rs. 2,00,000.]

11. Prepare Revenue Account of the Fire Business from the following details for the year 2019 :

| Particulars | Rs. |
|--|----------|
| Opening Balance of Reserve for unexpired risk at 50% | 1,80,000 |
| Additional Reserve | 36,000 |
| Opening balance of estimated liabilities for claims | 31,000 |
| Closing balance of estimated liabilities for claims | 42,000 |
| Claims paid | 3,65,000 |
| Legal Expenses | 6,000 |
| Re-insurance Recoveries | 32,000 |
| Medical Expenses | 4,000 |
| Bad debts | 800 |
| Premium Recovered | 4,86,000 |
| Premium on Re-insurance Accepted | 32,000 |
| Premiums Re-insurance ceded | 43,000 |
| Commission on Direct Business | 48,600 |
| Commission on Re-insurance Accepted | 1,600 |
| Commission on Re-insurance ceded | 2,150 |
| Administrative expenses | 90,000 |
| Interest, dividend, Rent etc. | 24,000 |
| Profit on sale of investments | 3,000 |

Create reserve at the end of the year at the same rate as in the beginning of the year.

[Saw Uni S Y April 2017]