

# 1) Premium Redemption on Preference Shares -

$$500 \times 5 = 2500$$

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GR.

In the Books of Bhavana Ltd.

Arrangement of money

CRR -

NV of PSR (500 x 100) 50,000

Paid value of FJ (1000 x 10) 10,000

40,000

GR PL

17500 22500

① Bank a/c - Dr 27000

Profit & loss a/c - Dr 1000

To Investment a/c 28000

(Being investment sold)

② Bank a/c - Dr (1000 x 12) 12000

To Share application a/c (1000 x 10) 10,000

To Security premium a/c (1000 x 2) 2000

(Being share application money recd)

③ PRPS -

General Reserve a/c - Dr 2500

To Premium redemption on preference shares a/c 2500

④ CRR -

General reserve a/c - Dr 17500

Profit & loss a/c - Dr 22500

To CRR a/c 40,000

⑤ Preference share cap (500 x 100) 50,000

PRPS a/c - Dr (500 x 5) 2500

To Preference share holder 52500

6) Preference share holder

To Bank 52500

# Balance Sheet - II

| Particulars                | Notes | Amt           |
|----------------------------|-------|---------------|
| Equity & Liabilities       |       |               |
| 1. Share holders fund      | 1     | 100000        |
| a. Equity share cap        | 1     | 100000        |
| b. Reserve/surplus         | 2     | 53500         |
| 2. Non current liabilities |       |               |
| 3. CL                      |       | 30.000        |
|                            |       | <u>183500</u> |
| Assets                     |       |               |
| 1. Non CA                  | 3     | 132000        |
| a. PPE                     |       |               |
| 2. CA                      |       |               |
| a. Inventory               |       | 30,000        |
| b. Trade Receivable        | 4     | 15000         |
| c. Cash & B/E              |       | 6500          |
|                            |       | <u>183500</u> |