

prob

(of)

Balance Sheet of Sister world Ltd

as on 31-3-2018 was as follows.

BBR

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Liabilities

₹

ASSET

₹

Share capital

F Asset

400000

6% pref shares of ₹

C Asset

248000

10 each fully paid 200000

prel exp

10000

& 8 of 10 each fully

unpaid of

paid

300000

discount

5000

Imp

GR

5000

P&L acc

24000

Debiture deduction

25000

Investment fluctuation

10000

5% Debiture

50000

Depreciation fund

10000

Sundry creditors

90000

690000

690000

(1) Current assets included investment of ₹ 50000 the market price of which is 48000.

(2) Debtors included in current assets are doubtful to the extent of ₹ 5000 for which no provision has been made so far.

(3) Stock @ the end did not include a return of ₹ 1000

(4) Debtors interest on owing for 1 year & pre dividends are arrears for 2 years.

$F/A \rightarrow$  dep fund

value the shares, if

(a) pref shares have no priority to capital and arrears of dividend

(b) pref shares have priority to repay ment of capital only.

(c) pref shares have ~~no~~ priority as to capital and arrears of dividend.

step 01