

To Bank	10000	By bal b/d	8930
		By Intl- @ 12%	1070

Deb. (Equity)			
To bal c/d	75980	By Bank	75980
To bal c/d	75980	By bal b/d	75980
To equity sh. cap.	100,000	By bal b/d	75980
		By R/surplus (appropriation)	24020

Old Treatment

10,000	10000	10,000	1 lakh concession
Exp	Exp	Exp	

As per
As 30

2882	2028	1070	24020 App
Exp	Exp	Exp	

Que 52b Calc. of Financial Liab.

Yr.	Am't	P.V.F. (15%)	P.V.
1	180,000	0.869	
2	180,000	0.756	
3	180,000	0.658	
4	180,000	0.572	
5	180,000	0.497	
		Fin Liab	596612

(1) Proceeds

1500,000

Equity

903,388

Debenture (F.L.)

To Bank	180,000	By Bank	596612
To bal c/d	<u>506104</u>	By Int @15%	<u>89492</u>

To Bank	180,000	By bal b/d	506104
To bal c/d	<u>402020</u>	By Int.	<u>78916</u>

To Bank	180,000	By bal b/d	402020
To bal c/d	<u>282323</u>	By Int.	<u>60303</u>

To Bank	180,000	By bal b/d	282323
To bal c/d	<u>144671</u>	By Int.	<u>42318</u>

To Bank	180,000	By bal b/d	144671
		By Int.	<u>35321</u>

Debenture (Equity)

To bal b/d	<u>903388</u>	By Bank	<u>903388</u>
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To bal c/d	<u>903388</u>	By bal b/d	<u>903388</u>
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To bal c/d	<u>903388</u>	By bal b/d	<u>903388</u>
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To bal c/d	<u>903388</u>	By bal b/d	<u>903388</u>
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To Equity Share Ap. 150,000		By bal b/d	903388
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		By R&S (Appropriation)	<u>596612</u>
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Que 53: ~~Ques~~

$$F.V. = 50,000 \times 2.486 = 124343$$

(-) Proceeds 50,000

Equity 395657

To Equity

To Bank

To Equity

Que 54: Calculation of financial cost.

Yr.	Amt.	P.V.F.	P.V.
1	2,20,000	0.877	
2	2,20,000	0.769	
3	2,20,000	0.675	
4	1,10,000	0.592	

595740

Proceeds (-) 20,10,00014,24,260Que 56: ~~Ques~~ Calcul

1

2

3

70,00,000
As per bank
deb. conu.
Int. to be
taken on remaining
10,00,000

Deb (F.V.)

To Bank 220,000
To c/d 436344

By Bank 575740
By Int. @ 14% 80604

To Bank

To Bank

To Bank 220,000
To c/d 277432

By bal b/d 436344
By Int. 61088

To Bank

To c/d

To Bank 2,20,000
To c/d 96272

By bal b/d 277432
By Int. 38840

To Bank

To c/d

To Bank 110,000

By bal b/d 96272
By Int. 13728

Deb. (Equity)

To Equity Sh. Cap	10,00,000	By bal b/d	14,24,260
To bal c/d	<u>4,24,260</u>		
To Eq. Sh. Cap	10,00,000	By bal b/d	4,24,260
		By R & S	5,75,740
		(Appropriation)	

Que 56: Calculation of Debt & Equity

Proceeds → 63,000

1	65,000
2	63,000
3	63,000

F.L. 14,87,43

(-) Proceeds 63,000
 Equity 48,12,57

Deb. (F.L.)

To Bank	63,000	By Bank	14,87,43
To bal c/d	<u>10,50,80</u>	By Intt @ 13%	<u>1,93,37</u>
To Bank	63,000	By b/d	10,50,80
To U/d	<u>55,740</u>	By Intt	<u>1,36,60</u>
To Bank	63,000	By bal b/d	55,740
To c/d		By By Intt	7,260

Debit (Equity)		Credit	
To Equity sh. Cap	7,70,000	By bal. b/d	481 257
		By P&L App	288 743
	<u>770,000</u>		<u>770,000</u>

Earlier 7,00,000 at 10% disc & Red at 10% Prem

70,000 Disc	46,667 Exp	46,667 Exp	46,667 Exp
70,000 P/Red	63000 Intt	63000 Intt	63000 Intt
<u>140,000</u>			<u>150,000</u>
19337 Exp	13660 Exp	7260 Exp	
			288743 Appropriation

Que 59

M Ltd

(₹)

Calculation of F.L. & Equity

Proceeds

100,00,000

Yr	Int. (Contractual Obligation) (12%)	
1 (2011)	8,00,000	0.893
2 (2012)	8,00,000	0.797
3 (2013)	8,00,000	0.712
4 (2014)	8,00,000	0.636
2014	1,12,00,000	0.636

F.L.

955 3600

Equity

4,46,400

Que 58

Calc

00-

09-

10-

11-

Deb. (Liab.)

To Bank	800,000	By Bank	95,536.60
To Cl'd	<u>99,000.32</u>	By Int. @ 12%	<u>114,432</u>
To Bank	800,000	By bal b/d	99,000.32
To Cl'd	<u>102,880.36</u>	By Int.	<u>118,004</u>
To Bank	800,000	By bal b/d	102,880.36
To Cl'd	<u>107,226.00</u>	By Int.	<u>123,456.4</u>
To Bank	800,000	By bal b/d	107,226.00
To Bank (1/2% 112/1000)	56,000.00	By Int.	128,671.2
To Deb (Equity)	<u>56,000.00</u>		

Deb. (Equity)

To Escap	500,000	By bal b/d	446,400
To GR/RAS	<u>105,712</u>	By Deb. (Liab)	<u>56,000.00</u>

Que 58th

1/4/08 - 10,00,000

09

PD

10

PD

31/3/11 -

60% Cash at 105%] Cannot deny

40% Equity at 105%

Calc. of FL & Equity

08-09	0 PD	5%	amt
09-10	0 PD	-	-
10-11	0 PD	-	-
10-11	10,00,000 x 60% x 105%	0.658	414,540
	= 6,30,000		

F.L. 414540
Equity 585460
(1,00,000 - 414540)

Que 55b Colce
Yr

1
2
3

Pref. Share (Liab.)			
To bal c/d	476721	By Bank	414540
		By Intt. (414540 x 15%)	62109
To c/d	548229	By bld	476721
		By Intt @ 15%	71508
To Bank	630,000	By bld	548229
		By Intt.	81771

Que 57b 1.4.
31.3.
31.3.
31.3.

Pref. Share (Equity)			
To Bank (Assumed Pref. Div.)	1,00,000	By Bank	585460
To bal c/d	485460		
To c/d	485460	By Bal bld	485460
To ESC	420,000	By Bal bld	485460
To GIR	65460		

31.3.10 To Bank
To bal c/d

19th Aug 2012

classmate

Date
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Que 55b Calculation of F.L & Equity

Yr	Int	P.V.F	F.V
1	-		
2	-		
3	-	0.712	-
		F.L	N.I

$$\text{Value of Equity} = \text{Proceeds} - \text{F.L.}$$

$$= 10,00,000 - 0 = 10,00,000$$

Que 57b 1.4.09 Issue 7,00,000 = 6,30,000 Proceeds
 31.3.12 Convert 735000
 31.3.11 50,000 Cash bonus Pay
 31.3.10 20,000 Cash receive

Yr.	Cash flows	P.V.F @ 18%	P.V.
09-10 Int.	7,00,000 x 9% = 63000	0.847	
09-10 App.	(20,000)	0.847	()
10-11 Int.	7,00,000 x 9% = 63000	0.718	
10-11 Bonus	50,000	0.718	
11-12 Int.	63000	0.609	
	Finan. Liab.		155922
	Proceeds		630000
	Equity		474078

Debiture (F.L)		
31.3.10 To Bank	63000	By Bank 155922
To bal dd	140,988	By Intt. @ 18% 28066
		By Bank 20000

To Bank	63000	By bal b/d	140988
To Bal c/d	53366	Intt.	25378
To Bank (bonus)	50000		

Que 61's

Calculation

Yes.

08-09

09-10

10-11

10-11

11-12

12-13

12-13

To Bank	63000	By bal b/d	53366
		By Intt.	9634

Deb. (Equity)

To ESC	735000	By bal b/d	474078
		By G/R	260922

Que 60's Calculation of Financial Liab. & Equity

Year	Cash Flows	Disc. rate 16%	Prnt.
08-09	2,60,000		
09-10	240,000		
10-11	2,40,000		
11-12	240,000		
11-12	21,00,000		

(:° It can't be deny)

Financial Liability	18,30,720
Proceeds	20,00,000
Equity	<u>1,69,280</u>

31-3-09

To

To

31-3-10

To B

To C

To Ban

To Ban

To c/d

To Ban

To Ban

To Ban

To Ban

Que 61: Calculation of F.L & Equity

Year	Cash A/c	P.V.A.	E.V.
08-09	£100,000		
09-10	100,000		
10-11	100,000		
10-11	4,40,000		
11-12	60,000		
12-13	60,000		
12-13	6,00,000		
	(∵ can't be denied)		

Firm. Liab.	965860
Proceeds	10,00,000
Equity	<u>34140</u>

Deb. (Liab.)

31-3-09	To Bank	1,00,000	By Bank	965860
	To c/d	<u>981763</u>	By Intt.	<u>11323</u>
31-3-10	To Bank	100,000	By Bal b/d	981763
	To c/d	<u>99575</u>	By Intt.	<u>117812</u>
	To Bank	100,000	By Bal b/d	99575
	To Bank	440,000	By Intt.	119949
	To c/d	<u>579524</u>		
	To Bank	60,000	By bal b/d	579524
	To c/d	<u>589067</u>	By Intt.	<u>69543</u>
	To Bank	60,000	By bal b/d	58067
	To Bank	600,000	By Intt.	70688
			By B.C.	<u>245</u>

Debt (equity)
To 7/18 34140 By bal b/d 34140

Class 62/3 Debt

Calculation

08-09

09-10

Que 62/3 Calculation of Debt & Equity

Yr.		Cash Flow	DIC @ 5%	Admt.
1	1 st	90,000	0.952	
	2 nd	90,000	0.907	
2	1 st	90,000	0.864	
	2 nd	90,000	0.823	
3	1 st	90,000	0.784	
	2 nd	90,000	0.746	
3		1,00,000	0.746	
		(20000 x 50)		
4	1 st	45000	0.711	
	2 nd	45000	0.672	
5	1 st	45000	0.645	
	2 nd	45000	0.614	
6	1 st	45000	0.585	
	2 nd	45000	0.557	
6		1,00,000	0.557	
		(1,00,000 + 10%)		

F.L 1986045

Proceeds 20,00,000

Equity 13955

Que 64/3

Ques 63: Deb. 30,00,000 6% 1.4.08

~~Return~~

Calculation of F.L. & Equity

08-09 18,00,000 0.91

09-10 18,00,000 0.83

10-11 18,00,000 0.75

11-12 18,00,000 0.68

11-12 37,00,000 0.68

F.L. 20,14,600

(-) Proceeds 3,00,000

Equity 18,54,600

Ques 64:

Que 65) Calc. of F.L. & Equity

Yrs	Amnt	P.V. f	P.V.
08-09	96000		
09-10	96000		
10-11	96000		
10-11	<u>73,000</u>		
		F.L.	21,72,123
		Proceeds	120,000
		Equity	<u>977,123</u>

Less on

(Being

Expense

13) Non Compound Financial Instrument (Non CFI)

If any contract has to be settled in form "cash" only and it does not have conversion features then such contracts are classified as Non CFI. In such cases Best estimates of cash outflows should be equated with proceeds to calculate Effective Interest rate. All transaction costs should be included in cash flows.

Examples $\rightarrow$ (i) Debentures (Non-convertible)
(ii) Loans (Directors)
(iii) Bank Loan

Example:- A Ltd issued on 1.4.08. ₹ 10,00,000 deb. at discount of 6% redeemable at 10% prem on 31.3.11. Rate of Interest is 7%.

Sol $\rightarrow$ As per IPCC/XII/CPT

Bank A/c $\rightarrow$ 940,000
Disc. on Issue $\rightarrow$ 60,000

To Bank
To bal c/d

To Bank
To bal c/d