

- (iii) Issued 400, 20% Debenture of Rs.100 at Rs.98. Redeemable after 10 years at Rs.110.
- (iv) Offered to the public 5000 shares of Rs.10 each at Rs.13 each, Company's Bank received 6000 applications. The company allotted necessary number of shares and excess was refunded.

7. NON-PROFIT ORGANIZATION:

On December 31, 2016 the Peshawar Zalmi provided the following receipts and payments during the year:

<u>RECEIPTS</u>		<u>PAYMENTS</u>	
Subscription	10,000	Purch. of refreshment	900
Sale of Refreshment	1,600	Extension to Building	5,000
Sale of Match tickets	2,000	Salaries	4,000
		Purchase of Sports Equipment	7,000
		Interest on Loan	300

Futher Information:

- (i) Building has a value of Rs.50,000 and to be depreciated @ 10% per annum
- (ii) There was no beginning inventory of sports equipment. At the end of the year, it was valued at Rs.5000 (Hint: Depreciate Sports Equipment by Rs.2000).
- (iii) No Stock of Refreshment (Snacks) at the end of the year

REQUIRED: Prepare an Income & Expenditure account for the year ended December 31, 2016.

8. PARTNERSHIP – DIVISION OF PROFIT AND LOSS:

The Capital accounts of Aslam and Akram, Partners In a firm, appear as under:

ASLAM CAPITAL

2016	2016
Mar. 31 cash	Jan. 2 b/d
6,000	24,000
	Jun. 8 cash
	12,000

AKRAM CAPITAL

2016
Jan. 2 b/d
15,000
Feb. 2 cash
3,000
Oct. 2 cash
18,000

Net Income for the year ended Dec. 31, 2016 Rs.17,875.

REQUIRED: Give Journal Entries to record the distribution of Net Income between the partners under following situations separately:

- (a) Profit to be divided in beginning capital ratio.
- (b) Profit to be divided in ending capital ratio.