

Roll no. _____

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester I, Supplementary Examination June 2023
Financial Accounting (CC02)

Duration: 2hrs

Max Marks: 80

Instructions:

1. Question No.1 is compulsory.
2. Answer any **three** questions from Q. No. 2 to Q.No.6.
3. Start each question on a fresh page.
4. Figures to the right indicate maximum marks.
5. Give working notes wherever applicable.

Q1. Aliza and Company purchased machinery on 1-1-2018 for Rs. 52000. The scrap value was estimated at Rs. 2000. The machinery was to be replaced at the end of three years. It was decided to make provisions for its replacement by means of a depreciation fund. The investments were expected to yield interest at 3% p.a. According to the sinking fund tables Rs. 16177 is to be invested annually. At the end of the third year, the investment realized Rs. 32800. Show the Machinery Account, Sinking Fund Account and Sinking Fund Investment Account. **(20 Marks)**

Q2. Mr. Raikar maintains accounts under single entry system and provided the following information for the year ended 30th Sept 2019 and 2020:

<u>Particulars</u>	<u>30-9-2019</u>	<u>30-9-2020</u>
Bills Receivable	20,000	12,000
Stock	39,500	44,000
Cash	19,540	9,815
Creditors	47,000	41,750
Bills Payable	17,355	25,255
Debtor	46,805	41,775
Furniture	10,000	10,000

From the cash book the following cash transactions are available for the year ended 30th Sept 2020.

Wages Rs. 4500, Bills Receivable Rs. 2500, Bills Payable Rs. 15000, Salary Rs. 4000, Sales Rs. 6000, Miscellaneous Expenses Rs. 3500, Purchases Rs. 3000, Investments Purchased Rs. 5000, Realised from Debtors Rs. 12250, Payment to Creditors Rs. 7125, Miscellaneous Income Rs. 150, Drawings Rs. 1500.

During 2019-20 discounts allowed and received Rs. 2000 and Rs. 1775 respectively. During the year Mr. Raikar accepted Bills for Rs 22,900 and received acceptance for Rs. 15000. His bad debts were Rs. 2800 and Bills Payable dishonoured were Rs. 1500.

Prepare the Trading and Profit & Loss A/c for the year ended 30-09-2020 and Balance sheet as on that date.

Q3 Acoustic Ltd. issued 10,000 equity shares of Rs. 10 each at a premium of Rs.2 per share. The amount payable is as under:

On application = Rs. 2, On allotments =Rs. 5 (including premium)

and the rest on first & final call. Applications were received for 12000 shares. Excess application money was refunded to applicants. All money due was received except the first &

final call money on 1000 shares.
Pass journal entries in the books of Acoustic Ltd.

(20 Marks)

Q4. Shalimar Ltd., has 4,000 6% Redeemable Preference Shares of Rs. 100 each fully paid. The company decides to redeem the shares on December 31, 2020, at a premium of 8%. The company makes the following issues for the purpose of redemption.

1. 2,000 Equity Shares of Rs. 100 each at a premium of 10%.
2. 2,000 7% Debentures of Rs. 100 each, at a premium of 3%

The issue was fully subscribed and all allotments were received. The redemption was duly carried out. The company has a general reserve of Rs. 3,75,000.

Pass necessary journal entries recording the above transactions.

(20 Marks)

Q5. Given below are the extracts from the Balance Sheet of Xylus Ltd. as on 31st March, 2021.

Particulars	Rs. (In Lakhs)
Equity Share Capital of Rs. 10 each fully paid	2400
Securities Premium	350
General Reserve	930
P & L A/C	340
S. Creditors	2250
Sundry Provisions	490
Machinery	3600
Furniture	452
Investments [Face Value Rs 200 lakhs]	148
Stock	1200
Debtors	520
Cash at Bank	740

On 1st April 2021, the company announced the buy back of 25% of its equity shares @ 15 per share. For this purpose, it sold all of its investment @ 75% and issued 2,00,000 14% Preference Shares of Rs. 100 each at par, the entire amount being payable with application. The issue was fully subscribed.

The company achieved the target of buy back. Later the company issued fully paid equity shares of Rs. 10 by way of bonus shares for every four equity shares held by the equity share holders. Pass necessary journal entries.

(20 marks)

Q6. Write short notes on the following:

(4 x 5=20 Marks)

- a. Advantages of single entry system
- b. Service hour method of depreciation and Group depreciation method
- c. Features of equity shares
- d. Profits otherwise available for dividend