

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY B.Com, Semester-I, Supplementary Examination August 2022
Financial Accounting (COC 102)

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) Figures to the **right** indicate **marks** allotted.
- 4) Show important **working notes** as **fair work**.

Q1. Mr. Tushar a sole proprietor maintains his books of accounts under double entry system and provided the following information for the year ending 31st March 2020 and 31st March 2021.

Particulars	31/3/2020 (Amount in Rs.)	31/3/2021(Amount in Rs.)
Debtors	15,000	30,000
Creditors	20,000	22,000
Stock of materials	7000	10,000
Fixed Asset	45,000	45,000
Discount allowed during the year		300
Discount received during the year		500

The cash book for the year ending 31st March 2021 is as follows.

Receipts	Amount(Rs.)	Payments	Amount (Rs.)
To Balance b/d	9,000	By Creditors	39,000
To Sales	48,000	By Purchases	35,000
To Commission	8,000	By Drawings	12,000
To Debtors	49,000	By Salaries	8,000
		By Rent, rates & taxes	4,000
		By Advertisement	6,000
		By Miscellaneous expenses	5,000
		By Balance c/d	5,000
Total	1,14,000	Total	1,14,000

During the year the depreciation charged on fixed asset at the rate of 15 %

Prepare Trading and Profit & Loss A/c for the year ended 31st March 2021 and Balance sheet as on that date. (1 x 20 = 20 Marks)

Q2. On 1st April 2017, A ltd purchased a machinery for Rs. 100,000. The expected life of the machine is 3 years and is to be replaced at the end of 3rd year. For this purpose, the company established a sinking fund. The investment is expected to realize 5 % interest rate. According to sinking fund table, Rs. 28,000 is to be invested annually. At the end of third year the investments are sold at Rs. 60,000 and machinery was sold off as scrap for Rs. 14,000.

Prepare Machinery A/c, Sinking Fund A/c and Sinking Fund Investment A/c for all the three years. (1 x 20 = 20 Marks)

Q3. A ltd issued 40,000 equity shares of Rs. 100 each at a premium of Rs. 5 per share payable at Rs. 20 on Application, Rs. 35 on allotment (including premium of Rs. 5), on first call Rs. 25 and on Final Call Rs. 25.

Application was received for 35,000 shares and all these applicants were allotted shares. The first call money was not received from 2,000 shares and second call money was not received from 1000 shares. The shares on which first call was not paid was forfeited. Of the forfeited shares, 1000 shares were re-issued as fully paid at Rs. 60 per share.

Pass journal entries to record the above transactions in the books of A ltd (1 x 20 = 20 Marks)

Q4.B ltd. has the following balances as on 31st March 2021

Particulars	Amount Rs.
1,00,000 Equity shares of Rs. 10 each.	10,00,000
Profit and Loss A/c	80,000
General Reserve	1,30,000
Capital Redemption Reserve	50,000
Securities premium	45,000

The company decided to buyback 20,000 equity shares at a premium of 2 per share. For the Buy Back the company decided to issue 1000, 11 % preference shares of Rs. 100 each at par and

remaining balance is utilized from free reserves. The company incurred Rs. 12,000 on account of Buy Back expenses. Pass Journal entries to record the above transaction. (1 x 20 = 20 Marks)

Q5. XYZ Ltd. has 10,000, 10% redeemable preference shares of Rs. 100 fully paid. The Company decided to redeem the preference shares at a premium of 20%. The company makes the following issues for the purpose of redemption:

- a) 8000 equity shares of Rs. 100 each at a premium of 10 %
- b) 4000, 8 % debentures of Rs. 100 each at a premium of 5 %

The redemption was duly carried out. The company sold its investment for Rs. 60,000 (Book value Rs. 50,000). The company has in Profit and loss A/c Rs. 60,000 and in General Reserve Rs. 1,50,000. Pass Journal entries to record the above transactions. (1 x 20 = 20 Marks)

Q6. Write short notes on:

- 1) Advantages and Disadvantages of single-entry system.
- 2) Objectives of providing depreciation
- 3) Pro rata allotment of shares
- 4) Redemption of preference shares

(4 x 5 = 20 Marks)