

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics
FY B.Com, Semester I, Semester End Examination (Repeat), November 2023
Financial Accounting (CC02)

Duration: 2 hrs

Max Marks: 80

Instructions:

1. Question No. 1 is compulsory
2. Answer any 3 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.

Q I Mr. Albino keeps his books under single entry. From the following information given below prepare a Trading P & L A/c for the year ending 31-12-2020 and B/S as on that

<u>Particulars</u>	<u>31-12-2019</u>	<u>31-12-2020</u>
S. Debtors	3440	4500
Stock	1750	2000
S. Creditors	1125	850
Machinery	1560	1560
Cash in Hand	1875	2915

Analysis of the cash Book for the year ended 31-12-2020 gives the following particulars.

<u>Debit side / Receipts</u>	<u>Amt</u>	<u>Credit side/payment</u>	<u>Amt</u>
To Bal B/d	1875	By S. Creditors	1500
To S. Debtors	6000	By Wages	300
To Cash Sales	1350	By General Exp	200
To Commission	90	By Salaries	2800
		By Drawings	1600
		By Bal C/d	<u>2915</u>
	<u>9315</u>		9315

Depreciate machinery by 10%. Allow interest on opening capital at 5% p.a. provide for reserve for doubtful debts at 5% on Debtors. (20)

Q II Aster Ltd. purchased a machine for Rs. 18000 on 1-1-2010 and it was decided to provide for its depreciation and also for its replacement at the end of three years under the sinking fund method.

A reference to the sinking fund table shows that the annual amount of depreciation to be provided for on the basis of 5% interest works out at Rs. 5710. The investment are sold at the end of three years for Rs. 12000.

Prepare Machinery A/c, Sinking Fund A/c & Sinking Fund Investment A/c for 2018, 2019 and 2020. (20)

Q III The authorized capital of Aliza Ltd. is 1,00,000 shares of Rs. 10 each. The company issued 50,000 shares for subscription at a premium of Rs. 2 per share money is payable as follows:

On application: Rs. 5 (including Rs. 2 premium)

On allotment: Rs 3

On first call: Rs 2

On final call: Rs 2

The shares were fully subscribed and the application money (including the premium) is received in full. The allotment money is received except as regards 500 shares. The first call & the final call money received except the final call money on 200 shares which is not received.

Pass necessary journal entries.

(20)

Q IV Sonika Ltd had issued 8,000 preference shares of Rs 100 each, all shares being fully called and paid up. On 31st March 2020, the Profit & Loss Account showed undistributed profits of Rs 2,50,000 and general reserve stood at Rs. 7,20,000. On 1st April 2020, the directors decided to redeem the preference shares.

Pass journal entries in the books of Sonika Ltd.

(20)

Q V. Given below are the extracts from the Balance Sheet of Zandu 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 200000 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)

Q VI Write short notes on the following

(4 x 5= 20 mks)

- a. Causes of depreciation
- b. Difference between single entry and double entry system of accounting
- c. Issue of shares at par, premium and discount
- d. Capital Redemption Reserve