

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester-VI (CBCS) Repeat, Semester End Examination November 2022
Subject: Accounting DSE 7
Accounting II (COD 125)

Duration: 2hrs**Max Marks: 80****Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Question 1 is compulsory
- 4) Answer ANY 3 questions from question 2 to question 6

Q1 Mr. Dinesh Kamat, a CA is the owner of a three storeyed house. He occupies the ground floor for his profession. His Receipt and Payment A/c for the year ended 31-12-2019 is as follows:

Receipts and Payment A/c for the year ended 31/12/2019

Receipts	Amount	Payments	Amount
cash in hand	3,000	Salaries	7200
Cash at bank	12,000	Rent (paid to family)	3,000
Audit Fees	54,000	Motor car expense	8,000
Tax consultation fees	18,000	Telephone charges	1,500
		Electricity	2,400
		Printing & Stationary	1,600
		Institute membership fees	350
		periodicals	3,000
		Drawings	36,000
		Cash in hand	2,150
		Cash at bank	21,800
	87,000		87,000

Following additional information is provided:

1. Motor car expense, electricity and telephone charges to be shared equally.
2. 20% of salary to be borne by household
3. Annual expenses of household: Food: ₹38,000, Clothing: ₹8,000, Miscellaneous: ₹3000
4. Other income of household: Income from investment: ₹9,000, Mrs. Kamat salary: ₹8,400
5. Entire income of profession used for household.

You are required to prepare: Profession Profit & Loss A/c, Household Income & Expenditure A/c.

20 mks

Q2 Creative Works Ltd. issued on 1st April 2015, 4000, 14% redeemable debentures of ₹100 each at par redeemable at a premium of 10% after 4 years. The company decided to set up a sinking fund for the redemption of debentures setting aside necessary amount every year and investing it in investments carrying 12% interest per annum. The sinking fund factor for 4 years @ 12% was Rs. 0.20964. On 31st March 2019, the sinking fund investments were sold for Rs. 3,15,000.

Prepare Sinking Fund A/c and Sinking Fund Investment A/c in the books of Creative Works Ltd.

20 mks

Q3 On 1st Jan 2020, 200 6% debentures of ₹100 each of Lucky Ltd were held as investment by Shama Ltd. at a cost of Rs.18,200. Interest is payable on 31st December every year. The following were the transactions during the year:

On 1.4.2020 ₹4,000 of such debentures were purchased by Shama Limited at ₹98 each cum-interest

On 1.9.2020 ₹6,000 debentures were sold at ₹96 ex-interest

On 1.12.2020 ₹8,000 debentures were sold at ₹99 cum-interest

On 31.12.2020 ₹10,000 debentures were sold at ₹95 cum-interest.

The books of accounts are closed on 31st December every year. Prepare Investment Account of Shama Ltd as on 31.12.2020. Show clear working notes.

20 mks

Q4 On 1st April 2019, 5000 equity shares of ₹10 each of Aminity Ltd. were held as investment by Ms. Rohini at a cost of ₹48,000.

On 30th April 2019, she purchased 1000 of such shares at ₹12 per share.

On 2nd June 2019, the company declared bonus shares in the ratio of one share for every two shares held.

On 30th June, the company made a rights issue in the ratio of one share for every two shares held on payment of ₹13 per share. Ms. Rohini subscribed to 40% of the shares and sold the balance of her rights at ₹2 per share.

On 20th September 2019, dividend was received at ₹2 per share for the year ended 31.3.2019.

On 1st December 2019 1000 of such shares were sold by Ms. Rohini for ₹20 for the year ended 31.3.20

Prepare the Investment Account for the year ended 31.3.2020.

20 mks

Q5 Enigma Ltd. issued 5,000 12% Debentures of ₹100 each at par on 1-1-2016. The terms of the issue provided that the company provide a sinking fund for redemption of debentures maturing on 31-12-2019. The Company decided to take an insurance policy to provide for the necessary cash to facilitate redemption of debentures. The annual insurance premium payable to the insurance company works out to ₹93,000. Prepare in the books of Enigma Ltd. (a) Sinking Fund A/c (b) Debenture Redemption Insurance Policy A/c (c) 12% Debenture A/c (d) Debenture holders' account.

20 mks

Q6 Dr Anisha is engaged in practice and holds a post of Medical Officer in a company. She submits the following Receipts & Payment Account for the year ending 31st March 2019.

Receipts & Payments Account for the year ended 31st March 2019

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
To Bal b/d	9,000	By Rent	6,000
To Fees realized	24,000	By Telephone	3,000
To Miscellaneous receipts	1,200	By Drugs & medicine	2,000
		By Assistant's salary	4,000
		By Electricity expenses	1,500
		By Drawings	10,000
		By Miscellaneous expenses	3,000
		By Bal c/d	4,700
	34,200		34,200

She has asked you to prepare the Income & Expenditure Account for the year ended 31st March, 2019 and her Balance Sheet as on 31st March 2019 after considering the following:

- Dr. Anisha's capital balance was ₹34,000 and other assets (excluding cash) was ₹25,000 as on 1st April 2018.
- She is provided with a private car by the company. Sometimes the car is also used for business purposes. The company bears the total cost of car maintenance. At the end of the year, it is revealed that miscellaneous expenses include ₹1,600 for the cost of petrol for family tour to Manali.
- She maintains a chamber in a rented residence. It is ascertained that the rent should be divided between the chamber and residence in the proportion of 1:2. 20% of the total rent was borne by the company, realization of the same represented by miscellaneous receipts in the Receipts & Payments Account.
- Her assistant, Ms. Sangeeta gives private coaching to her son and for this she is paid ₹50 per month, which is included in the salary.
- Drugs and medicine include ₹200 for family use.
- Electricity expenses include ₹1,000 for residential use.
- She received monthly salary of ₹1,000 from the company.
- Her husband is also attached with a hospital and gets a salary of ₹900 per month.
- The family food expenses are ₹25,000 p.a.
- Children's educational expenses are ₹400 per month including the payment made to Ms. Sangeeta.
- She maintains a monthly recurring deposit of ₹100.
- Food, lodging and miscellaneous at Manali are ₹4,000.
- Accrued fees ₹5,000 at the end of the year.

20 mks