

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester-VI, Semester End Examination, Repeat November 2023
Accounting DSE -7(Truncated Syllabus)
Accounting-II

Duration: 2hrs

Max Marks: 80

Instructions:

1. Start each question on fresh page.
2. Figures to the right indicate maximum marks.
3. Q1. is compulsory, Answer any 3 from Q2 to Q6.

Q1. On 1st April 2018, Sunny Ltd, issued 12% debentures of Rs. 5,00,000 at par redeemable at a premium of 2% after 4 years on 31st March 2022. To collect the funds for redemption the company decided to establish a sinking fund. Investments were made to the nearest rupee in order to earn an interest @ 10% per annum. Sinking fund tables show that Rs. 0.2155 invested every year for four years @ 10% per annum will accumulate to Rs.1 at the end of 4 years. On 31st March 2022, the investments were sold at a loss of 1% and the debentures were duly redeemed.

Prepare Sinking Fund A/C, Sinking Fund Investment A/C and 12% Debenture A/C from 1st April 2018 to 31st March 2022.

(20 Marks)

Q2. Mr. Windy a Chartered Accountant is the owner of a three storey house. He occupies the ground floor for his profession. His receipt and payment for the year ended 31st March 2022 is as follows:

Receipt and Payment A/C
For the year ended 31st March 2022

Receipts	Amount(Rs)	Payments	Amount(Rs)
Cash in hand	3,000	Salaries	7,200
Cash at Bank	12,000	Rent(Paid to family)	3,000
Audit Fees	54,000	Motor car expenses	8,000
Tax Consultation Fees	18,000	Telephone charges	1,500
		Electricity charges	2,400
		Printing & stationary	1,600
		Institute membership fees	350
		Purchase of books & periodicals	3,000
		Drawings	36,000
		Cash in hand	2,150
		Cash at bank	21,800
	87,000		87,000

Additional Information:

- The motor car expenses, telephone charges and electricity charges are to be shared equally between the profession and household.
- 20% of the salaries are to be borne by the household.
- Annual expenses of household are: food: Rs.38,000, clothing: Rs. 8,000 and miscellaneous expenses: Rs. 3,000.
- The other income of household are: Interest on fixed deposit Rs. 9,000, Salary of Mrs. Windy Rs. 8,400.
- The entire income of the profession is to be taken as income of the household.

Prepare Professional Profit & Loss A/c, Household Income & Expenditure A/C and Household Cash Statement of CA Windy for the year ending 31st march 2022.

(20 Marks)

Q3. Autum Ltd issued 6,000 6% Debentures of Rs 100 each at par on 1-1-2019. The terms of the issue provided that the company provide a sinking fund for redemption of debentures on 31-12-2022. 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 Rs.1,38,000. Prepare Debenture Redemption Fund A/C, Debenture Redemption Insurance Policy A/c and 6% Debenture A/c from 1-1-2019 to 31-12-2022 in the books of the company.

(20 Marks)

Q4. Ms. Snowfall entered into the following transaction of purchase and sale of 12% Debentures (face Value of Rs.100 each) of Rainy Ltd. Interest is payable on 30th June and 31st December every year. The transactions were as under:

Date	No. of Debentures	Details
1-4-2021	800	Opening Balance at a cost of Rs.76,000
1-6-2021	300	Sold at Rs.105 each Cum-Interest
1-9-2021	700	Purchased at Rs.98 each Ex-Interest
1-12-2021	400	Purchased at Rs.108 each Cum -Interest
	900	Sold at Rs.97 each Ex-Interest

Prepare Investment Account of 12% Debentures in the books of Ms. Snowfall for the year ended 31-3-2022. The Market Value of the investments on 31-3-2022 was Rs.67,500. Show the valuation of investments as on that date. (20 Marks)

Q5. On 1st April 2021, Mr Cloudy has 30,000 Equity shares at a cost of Rs.4,50,000 (Face value Rs10.). On 22nd June 2021, he purchased 5000 more shares at a cost of Rs.80,000. The directors announced a bonus issue of equity shares in the ratio of one share for seven shares held on 16th August 2021. On 31st August 2021, the company made a right issue in the ratio of three shares for 8 shares held on a payment of Rs.15 per share. Due date for payment was 30th Sept 2021. Mr. Cloudy subscribed to 2/3rd of the shares and sold the remaining of his entitlement for consideration of Rs.2 per share. On 31st Oct 2021, he received dividend @20% for the year ended 31-3-2021. On 15th November 2021, Mr Cloudy sold 30,000 shares for a premium of Rs 5 per share. Prepare Investment Account of Mr. Cloudy for year ended 31-3-2022. (20 Marks)

Q6. Mr. Gloomy is a doctor. He occupies 1/4th of his residential house for his clinic. His receipt and payment for the year ended 31st March 2022 is as follows:

Receipt and Payment A/C
For the year ended 31st March 2022

Receipts	Amount(Rs)	Payments	Amount(Rs)
Cash in hand	6,000	Salary to assistant	3,600
Cash at Bank	6,000	Rent(Paid to family)	2,400
Consultancy fees	52,000	Motor car expenses	5,000
		Telephone charges	1,200
		Electricity charges	1,600
		Printing & stationary	1,000
		Institute of doctors membership fees	150
		Purchase of books & periodicals	1,500
		Drawings	24,000
		Cash in hand & bank	23,550
	64,000		64,000

Additional Information:

- He is the owner of a motor car which he uses equally for his professional and household purpose.

- The assistant devotes 25% of his time to household work of Mr. Funny.
- Annual expenses of household are: food: Rs.24,000, clothing: Rs. 6,000 and miscellaneous expenses: Rs. 1,200.
- 60% of his electricity charges may be considered for household.
- The value of family investments is Rs.40,000 from which he earns an interest of Rs.400 per month. He also earns rent from another house @ Rs. 300 per month.

Prepare Professional Profit & Loss A/c, Household Income & Expenditure A/C and Household Cash Statement of Dr. Gloomy for the year ending 31st march 2022.

(20 Marks)