

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 TY B.Com, Semester-VI(OC-66), Semester End Examination June 2022
 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. Q1 is compulsory.
4. Answer any Three from Q2 to Q6.

Q1. Ms. Sujata a Chartered Accountant furnished the following details for the year 31st December 2021.

Receipt & Payment A/c
For the year ended 31st December 2021

Receipts	Amount (Rs)	Payments	Amount (Rs)
Cash in hand & bank	24,000	Printing & Stationary	2,000
Audit Fee	80,000	Institute fees	300
Income tax Consultation fee	24,000	Rent	4,800
		Salary to office salary	7,200
		Motor car expenses	10,000
		Electricity charges	3,200
		Telephone charges	2,400
		Purchase of books & Journals	3,000
		Drawings	48,000
		Cash in hand & bank	47,100
	1,28,000		1,28,000

Additional Information:

1. She occupies 1/4th of her own residential house for carrying of her profession.
2. The office staff devotes 25% of his time towards household work.
3. She is the owner of motorcar which she uses equally for her profession and personal purpose.
4. 60% of her electricity charges are for household
5. The value of family investments is Rs.80,000 from which interest is received @ 800 per month.
6. She is the owner of another house from which rent @ Rs. 600 per month is received.
7. Annual expenditure for household are:
 Food: Rs. 48,000 , Clothing: Rs. 12,000 and Petty expenses : Rs.2,400.

Prepare Profit & Loss A/c for profession, Income & Expenditure A/c for Household and Household Cash Statement for the year ended 31st December 2021. (20 Marks)

Q2. Bangalore Investments holds 1200 6% Debentures of Rs100 each as on 1st April 2021 at a cost of Rs.1,40,000. Interest is payable on 30th June and 31st December each year. Other details are as under:

Date	Details	Amount (Rs)
1-06-2021	400 Debentures are purchased cum interest at	40,800
1-11-2021	400 Debentures are purchased ex-interest at	38,400
30-11-2021	600 Debentures are sold cum-interest for	64,500
31-12-2021	800 Debentures are sold ex-interest for	77,300

Prepare Investment A/C valuating closing balance on 31st March 2022 at cost or market price whichever is lower. The Debentures are quoted at par on 31st March 2022. (20 Marks)

Q3. The following is the trial balance of Mr. Sudhir, a Solicitor as on 31st December 2021.

Particulars	Debit (Rs)	Credit (Rs)
Salaries	80,000	
Office Expense	22,000	
Furniture	20,000	
Capital		44,000
Drawings	68,000	
Rent	24,000	
Computers	16,000	
Law Books	12,000	
Bank (office)	21,200	
Bank (Clients)	18,800	
Clients Deposits A/c		12,000
Provision for unrealised profit		12,800
Opening work in progress	8,800	
Clients disbursements	10,000	
Profit Cost		2,51,200
Amount owing for bills of cost delivered	19,200	
TOTAL	3,20,000	3,20,000

Additional Information:

1. An amount of Rs.800 has been paid out of the clients disbursement account and it has been credited to client's deposit account.
2. Depreciation on law books @ 20% and furniture and computers @ 10%.
3. Closing Work in Progress : Rs.15,000

4. Sundry Small Disbursements debited to office expense account are included in the bills of cost sent to the clients. On 31st December 2021 items amounting to Rs.12,000 on the debit side of clients disbursements account are not charged in the Bills of Costs.

Prepare Receipts and Expenditure A/c for the year ended 31st December 2021 and the Balance Sheet as on that date.

(20 Marks)

- Q4. Sunrise Ltd. issued 6000 15% Debentures of Rs. 100 each at par on 1st January 2018. The terms of the issue provided that the company will maintain a debenture redemption fund for redemption of debentures after 4 years on 31-12-2021. The company decided to avail an insurance policy to provide for the necessary money to facilitate redemption of debentures. The company has to pay an annual premium of Rs.1,38,000. Prepare: 15% Debentures A/C, Debenture Redemption Fund A/c, Debenture Redemption Insurance Policy A/C and Debenture Holder's A/C in the books of Sunrise Ltd.

(20 Marks)

- Q5. Moonlight Ltd. issued on 1st January 2018, 10,000 6% debentures of Rs.100 each at par redeemable at the end of 4 years at a premium of 10%. It was decided to maintain a Debenture Redemption Fund for the redemption of debentures. Investments are expected to earn interest at 5% per annum. Reference to the sinking fund table shows that Rs. 0.232012 invested annually at 5% interest amounts to Rs.1 at the end of 4 years. Investments were made in multiples of 100 only. On 31st December 2021 investments were sold for Rs.8,05,000 and the debentures were redeemed.

Prepare: Debenture Redemption fund A/C, Debenture Redemption fund Investment A/C.

(20 Marks)

- Q6. On 1st April 2021, Mr. Ajay had 30,000 equity shares in Wipro Ltd. The face value of these shares was Rs.10 but his purchase price was Rs.14 per share. On 1st July, Ajay purchased 6,000 additional shares of the same company for a price of Rs.16 per share. On 31st July, the directors announced a bonus and rights issue. Bonus shares were declared at the rate of one equity share for every six shares held. Bonus shares were received on 5th August 2021. Rights were offered at the rate of one share for every three shares held at Rs.15 per share. Full amount was payable by 30th September 2021. Ajay subscribed to 60% of his entitlement and the balance was sold for Rs. 1.50 per share. Dividend for the year ended 31st March 2021 at the rate of 14% was declared by the company and Ajay received the dividend on 22nd October 2021. On 1st November 2021, he sold 25,000 shares at Rs.15 per share.

Prepare Investment A/c of Equity Shares in Wipro Ltd for the year ended 31st March 2022 in the books of Mr. Ajay.

(20 Marks)