

Vidya Vikas Mandal's  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
FYBCA, SEM I, SPECIAL SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015

**Business Accounting (BCA 103)**

**Duration: 2 hours**

**Marks: 50**

**Instruction:** 1) All questions are compulsory  
2) Figures to the right indicate full marks  
3) Start each new question on fresh page

**Q No. 1) A) Fill in the blanks**

**(5 mks)**

- i) \_\_\_\_\_ expenditure is of a recurring nature.
- ii) \_\_\_\_\_ concept stresses the continuing nature of the business enterprise.
- iii) \_\_\_\_\_ capital is that part of the authorized capital which is actually offered to the public.
- iv) \_\_\_\_\_ method of depreciation takes into account the interest lost in investment in the asset.
- v) \_\_\_\_\_ is an expression relating to two figures or two accounts.

**Q No. 1) B) Match the following**  
**Column 'A'**

**(5 mks)**

- 1) Commission
- 2) Depletion method
- 3) Bank overdraft
- 4) Convention of Conservation
- 5) Machinery

**Column 'B'**

- a) Current liability
- b) Playing safe
- c) Real Account
- d) Nominal Account
- e) Records output

**Q No. 2) A) Journalise the following transactions in the books of Mr. Suresh Naik**

**(10 mks)**

**Year 2012**

- March 1 Mr. Suresh commenced business with cash Rs. 4,50,000; Land and Building Rs. 2,00,000 and computer Rs. 48,000
- March 4 Purchased goods from M/s Sunrise Ltd. for Rs. 40,000
- March 6 Purchased machinery for Rs. 25,000
- March 7 Sold goods for cash Rs. 12,000
- March 10 Paid office rent Rs. 8,000
- March 15 Mr. Suresh paid for son's tuition fees Rs. 2,500 from business.
- March 18 Paid rent Rs. 4,500
- March 20 Purchased computer for office use Rs. 38,000
- March 25 Commission received from Mr. Sunil Rs. 1,800
- March 30 Paid salary to office staff Rs. 15,000

**(OR)**

**Q No. 2) X) Prepare necessary vouchers from the following**

**(10 mks)**

**Year 2011**

- April 1 wages Paid to Mr. Gourish for the month of Dec 2009 Rs. 1,500
- April 4 Paid to Andolan Traders for purchases Rs. 2,300 as per their bill no. 1122
- April 8 Purchase of stationery from M/s Laxmi prints, Vasco Rs. 1,250 as per bill no. 3344
- April 15 Paid Rs. 400 to Mr. Babu for hire of his taxi GA-02 V 8880 for official visit to Dabolim airport and back.

**Q No. 3) A)** Mr. Sunil bought a Lease on 1<sup>st</sup> January, 2002 for a period of 4 years on payment of Rs. 30,000. It is proposed to depreciate the lease by the annuity method charging interest at 5% p.a. As per annuity table the amount necessary to write off Re. 1 in four years with interest at 5% p.a. is Rs. 0.282012. (10 mks)

Prepare Lease Account for 4 years.

(OR)

**Q No. 3) X)** On 1<sup>st</sup> January 2011, a firm purchased machinery for Rs. 40,000. On July 1<sup>st</sup>, 2013, it purchased additional machinery worth Rs. 9,000 and spent Rs. 1,000 for the erection. The firm closes its yearly accounts on 31<sup>st</sup> December each year. The firm decided to charge depreciation @ 10% per year according to the straight line method. (10 mks)

Prepare Machinery Account for the first 5 years.

**Q No. 4) A)** You are required to prepare financial statements from the following trial balance of Smart link Ltd. for the year ended 31<sup>st</sup> March 2012 as per revised schedule VI. (10 mks)

Particulars	Debit Rs.	Credit Rs.
Equity Share Capital (Rs.75 paid)		7,50,000
Share premium		1,00,000
Land and Buildings	5,00,000	
Plant and Machinery	8,00,000	
Depreciation Provision Land and Building Plant and Machinery		1,00,000 1,20,000
General Reserve		1,40,000
6% Debentures		50,000
Investments (Equity Shares in Limited Companies at cost)	1,00,000	
Stock as on 31-03-2011	70,000	
Balance at Bank	23,000	
Cash in Hand	800	
Profit and Loss A/c (Balance on 1-04-2011)		25,000
Sundry Creditors		60,000
Income Tax deducted at source	1,200	
Establishment Expenses	52,000	
Rent and Taxes	2,400	
Debenture Interest	1,500	
Audit Fees	3,000	
Director's Fees	6,000	
Sundry Expenses	8,700	
Dividend (Gross)		11,200
Gross Profit		2,12,400
	15,68,600	15,68,600

Additional information:

- 1) Authorized Capital of the company is Rs. 10 lakhs divided into 10,000 equity shares of Rs. 100 each.
- 2) Market value of the investments as on the date of Balance Sheet is Rs. 85,000

- 3) Depreciation is to be provided on, written down value of land and buildings at 5% and plant and machinery at 15%.
- 4) Provision for taxation is to be made at 50% of net profit.
- 5) Directors propose to transfer Rs. 10,000 to general reserve.

(OR)

(10 mks)

**Q No. 4) X)** From the following Balance sheet of a company calculate Debt Equity Ratio, Proprietary Ratio and Capital Gearing Ratio.

Liabilities	Amount	Assets	Amount
Equity share capital (Rs. 100 each)	2,50,000	Land and Building	3,00,000
8% Preference share capital (Rs. 100 each)	1,00,000	Plant and Machinery	2,50,000
9% Debentures (100 each)	2,00,000	Stock	1,20,000
Reserves	1,50,000	Debtors	1,00,000
Current liabilities	1,00,000	Cash/Bank	27,500
		Prepaid expenses	2,500
	<b>8,00,000</b>		<b>8,00,000</b>

(10 mks)

**Q No. 5) A)** From the following Balance Sheets as on 31<sup>st</sup> December, 2011 and 2012, you are required to prepare:

- i) A Schedule of changes in working capital
- ii) A Fund Flow Statement

Liabilities	Amount 2011	Amount 2012	Assets	Amount 2011	Amount 2012
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General Reserve	14,000	18,000	Building	40,000	36,000
Profit & Loss A/C	6,000	3,000	Plant	37,000	36,000
Sundry creditors	8,000	5,400	Investment	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision for taxation	16,000	18,000	Bills receivable	2,000	3,200
Provision for doubtful debt	400	600	Debtors	18,000	19,000
			Cash/Bank	6,600	15,200
	<b>1,55,600</b>	<b>1,55,800</b>		<b>1,55,600</b>	<b>1,55,800</b>

The following additional information has also been given:

- i) Depreciation charged on Plant was Rs. 4,000 and on Building Rs. 4,000
- ii) Provision for taxation of Rs. 19,000 was made during the year 2012.
- iii) Interim dividend of Rs. 8,000 was paid during the year 2012.

(OR)

(10 mks)

**Q No. 5) X)** Royal Ltd made an issue of 10,000 Equity shares of Rs. 15 each payable as follows:

Rs. 4 per share on application

Rs. 7 per share (including Rs. 2 per share as premium) on allotment

Rs. 6 per share on first and final call.

Mr. Deeraj holding 50 shares failed to pay the allotment and call money. Mr.

Prakash holding 80 shares failed to pay the call money. All these shares were

forfeited and subsequently re-issued to Mr. Rupesh as fully paid-up at a discount of Rs. 3 per share.

Pass journal entries to record the above in the books of the Company.