

2017

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics Margao-Goa
F.Y.BCOM SEM I, SEMESTER END EXAMINATION OCTOBER 2017
FINANCIAL ACCOUNTING - I

Duration: 02 Hrs

Max. Marks: 80

Instructions:

1. Figures to the right indicate maximum marks
2. Start each question on a fresh page
3. Question No 1 is compulsory
4. Answer any 3 questions from Q no. 2 to Q no. 6

Q1. Mr. Businessman maintains his financial records as per single entry system. From the following information compute the Trading along with Profit and Loss account and the Balance sheet as on 31st March 2016. It is informed that his business had invested in 2% Gold Bonds with face value of Rs. 5000 on 1st Jan, 2016. (20 marks)

His Cash Book is produced as follows:

Receipts	Amt (Rs.)	Payments	Amt (Rs.)
To Opening Balance b/d	1500	By 2% Gold Bonds	3000
To Miscellaneous Income	1000	By Drawings	2500
To Debtors	22500	By Creditors	15000
To Bills Receivable	12500	By Bills Payable	12500
		By Office Salary	2000
		By Closing balance c/d	2500
	37500		37500

Record of the Assets and Liabilities:

Items	31 st March 2015	31 st March 2016
Cash	1500	2500
Creditors	6000	4500
Bills Payable	2000	2500
Bills Receivable	4000	3000
Stock	14000	15000
Debtors	7000	9000

Q2. ABC Ltd has 4000 6% preference shares of Rs. 100 each fully paid which were to be redeemed on 31st December 2015 with a premium of 8%. The company on that date had a general reserve of Rs. 3,75,000. For the purpose of redemption the company had to issue 2000 equity shares @ Rs. 100 each at premium of 10% and 2000 debentures @ Rs.100 at a premium of 3%. Both the new issues were fully subscribed and were duly carried out. Journalize the transactions. (20 marks)

Q3. L Ltd. was formed with authorized capital of Rs. 10,00,000 divided into 10,000 equity shares @ Rs. 100. The company issued 6000 equity shares to public for a premium of Rs. 10 payable as follows: On application Rs. 20, on allotment Rs. 40 including premium of Rs. 10, on first and final call Rs. 50.

Applications were received for 10,000 shares and were allotted on pro-rata basis to applicants of 9000 shares, the remaining applications were rejected and application money refunded. Excess application money was adjusted on allotment. All shareholders paid all the calls except one share holder who failed to pay the first as well as the final call on 100 shares. All these unpaid shares were forfeited and were reissued at Rs. 80 per share. Journalize the transactions. **(20 marks)**

Q4. A sole proprietor purchased a lease for 3 years of an office space for 3 years for Rs. 30,000 on 1-1-2005 with life of 3 years and decided to provide for its renewal through a sinking fund with a rate of investment of 5% per annum. The sinking fund table shows that Re. 0.317208 at 5% p.a will in 3 years accumulate Re. 1. At the end of 3 years the investments realized Rs. 20,508 Prepare necessary ledger accounts for 3 years. **(20 marks)**

Q5. A machine is purchased for Rs. 30000 on 1.1.2007 and is to be replaced at the end of 4 years. An insurance policy is taken for this purpose with an annual premium of Rs. 6900. At the end of the fourth year a new machine costing Rs. 33000 is installed and the old machine is written off. Prepare the necessary ledger accounts for 4 years. **(20 marks)**

Q6. G Ltd furnishes the following Balance Sheet as at 31st March 2015 (*Fig. in Lakhs*). **(20 marks)**

Liabilities	Amt	Assets	Amt
Equity Capital @ Rs. 10	1200	Machinery	1800
Share Premium	175	Furniture	226
General Reserve	265	Investments	74
Capital Redemption Reserve	200	Stock	600
Profit & Loss a/c	170	Debtors	260
12% Debentures	750	Cash at Bank	740
Creditors	745		
Other Current Liabilities	195		
	3700		3700

On 1st April 2015 G Ltd. announced Buyback of 25% of its equity share @ Rs. 15 per share. For this purpose it sold all Investments for Rs. 75 lakhs. On 5th April 2015 the G Ltd. achieved its target of Buyback. Journalize the transactions.

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