

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao**  
**FYB.COM, SEM II, SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015**  
**FOUNDATION COURSE-ACCOUNTING (OLD COURSE)**

**Duration:-2 hrs**

**Marks:-80**

**Instructions:**

- i) Answer any four questions from the questions given below.
- ii) Start each new question on a fresh page.
- iii) Figures to the right indicate maximum marks.

- 1) You are required to prepare Trading & Profit & Loss A/c for the year ended 31<sup>st</sup> March, 2014 & Profit & Loss Appropriation & Balance Sheet as on that date from the trial balance for the year ended 31<sup>st</sup> March, 2014 & adjustments given in respect of Rudran Consumers' Co-operative Society:

Particulars	Debit (Rs.)	Credit(Rs.)
Share capital		1,50,000
Calls in arrears	15,000	
Reserve fund		1,12,500
Development fund		7,500
Opening stock of goods	1,65,000	
Furniture	72,000	
Education fund		12,000
Creditors for purchases		30,000
Sundry debtors	45,000	
Commission payable		6,000
Salaries	1,06,500	
Commission	26,100	
Rent & taxes	30,000	
Postage	4,050	
Travelling & conveyance	3,600	
Printing & stationery	4,500	
Dividend paid for 2013-14	13,500	
Audit fees	6,000	
Interest on investment		15,000
Equipment	30,000	
Admission fees		750
Purchases	24,00,000	
Carriage & coolie charges	60,000	
Investments	1,50,000	
Sales		30,90,000
Cash in hand	37,500	
Cash at bank	2,55,000	
<b>Total</b>	<b>34,23,750</b>	<b>34,23,750</b>

**Adjustments:-**

- 1) Outstanding rent payable on 31<sup>st</sup> March, 2014 was Rs 1,500.
- 2) Interest accrued on investments Rs 3,000.
- 3) Charge 5% depreciation on furniture.
- 4) Closing stock of goods is valued at cost Rs 70,000.
- 5) Directors propose the following appropriations:
  - a) 10% dividend to its shareholders
  - b) Patronage fund -50%
  - c) Reserve fund - 25%
  - d) Deficit fund -5%
  - e) Education fund- 2%
  - f) Common Welfare fund-5%
  - g) Development fund-5%

**(20 marks)**

- 2) Kashmira Ltd., was incorporated on 31<sup>st</sup> July, 2013 to acquire the business as on 1<sup>st</sup> April 2013. The first accounts were closed on 30<sup>th</sup> November, 2013. The gross profit for the period was Rs. 2,52,000. The details of other expenses:

General expenses Rs. 33,600; Director's remuneration Rs. 42,000 p.a.; Preliminary expenses Rs. 8,000; Rent upto 30<sup>th</sup> June was Rs. 21,000 p.a. after which it was increased by 30%. Salary of the manager, who on formation of the company had become a whole time director and whose remuneration has been given above, was agreed to be remunerated at Rs. 30,600 p.a. The company earned a uniform gross profit. The sales upto November 2013, were Rs. 5, 88,000. The monthly average of sales for the first four months of the year was one-half of the remaining period.

Show the Profit & Loss Account and indicate how you would deal with the pre-incorporation value. (20 marks)

3) Following is the Trial Balance of Mr. Rane, a Solicitor as on 31<sup>st</sup> December 2014:

Particulars	Debit(Rs.)	Credit(Rs.)
Salaries	1,60,000	
Office expenses	44,000	
Furniture	40,000	
Capital		88,000
Drawings	1,36,000	
Rent	48,000	
Typewriters	32,000	
Library	24,000	
Bank (office)	42,000	
Bank (client)	38,000	
Clients deposit a/c		24,000
Provision for unrealised profit		26,000
Opening work in progress	18,000	
Clients disbursement a/c	20,000	
Profit cost		5,02,000
Amount owing for bills of cost delivered	38,000	
<b>Total</b>	<b>6,40,000</b>	<b>6,40,000</b>

**Additional information:**

- 1) An amount of Rs 1,600 has been paid out of the balance in clients' disbursement A/c & it has been credited to clients deposit A/c.
- 2) Depreciate library @ 20% & furniture & typewriter @ 10%.
- 3) Sundry small disbursements debited to the office expenses a/c included in the bills of costs sent to the clients. On 31<sup>st</sup> Dec 2014. items amounting to Rs 24,000 on the debit side of clients' disbursement a/c were not charged in the bills of costs.
- 4) Work in progress on 31<sup>st</sup> December, 2014 was Rs 32,000.

Prepare the Income & Expenditure A/c for the year ended 31<sup>st</sup> December, 2014 & Balance sheet as on that date. (20 marks)

Q.4) From the following Receipt & Payment Account & Balance Sheet of Margao Municipality. prepare Income & Expenditure A/c for the year ended 31<sup>st</sup> March 2014 & a Balance Sheet as on that date:

Balance sheet as on 31<sup>st</sup> March 2014

Liabilities	Amt(Rs.)	Assets	Amt(Rs.)
Capital fund	1,50,000	Fixed assets	1,25,000
Municipal fund	1,10,000	Projects under construction	15,000
Road maintenance fund	20,000	Housing complex under construction	18,000
Water supply fund	1,00,000	Investments	1,40,000
Debenture loans	1,20,000	Stores	1,05,000
Contractor's retention money	15,000	Deposits	15,000
Depreciation provision	14,000	Recoverable from Govt.	13,000
Expenses payable	16,000	Professional tax accrued	4,000
Advance for allotment of houses	20,000	Cash	1,30,000
<b>Total</b>	<b>5,65,000</b>	<b>Total</b>	<b>5,65,000</b>

Receipt and Payment A/c for the year ended 31<sup>st</sup> March, 2015

Receipts	Amt(Rs.)	Payments	Amt(Rs.)
To cash in hand	1,30,000	By establishment expenses	1,51,000
To tax revenue- house tax	1,18,000	By public relation expenses	31,500
To vehicle tax	1,14,000	By printing & stationery	32,500
To professional tax	16,000	By water supply	20,500
To other tax	14,000	By sewerage & drainage	12,500
To non tax revenue:-		By roads	37,000
Water supply	15,200	By lighting	20,000
Sewerage & drainage	15,800	By health services	35,000
Roads	18,000	By repairs to municipal building	42,000
Lighting	16,500	By investments	1,70,000
Health services	19,000	By stores	46,000
Other receipts	1,26,000	By housing complex	1,30,000
To Govt. grants for road maintenance	1,10,000	By repayment of retention money	50,000
To Govt. grants for sewerage maintenance	1,20,000	By election services	24,500
To retention money from contractors	1,16,000	By municipal services	23,000
To advance for allotment of houses	1,18,000	By central workshop	21,000
		By cash balance	2,20,000
<b>Total</b>	<b>10,66,500</b>	<b>Total</b>	<b>10,66,500</b>

Additional information:-

- 1) Provide Rs 12,500 for depreciation on fixed asset.
- 2) Accrued professional tax on 31<sup>st</sup> March 2015 Rs 2,000.
- 3) Expenses outstanding on 31<sup>st</sup> March 2014 : printing & stationery Rs 4,000; Public relation expenses Rs 3000; establishment expenses Rs 9,000.
- 4) Repairs to municipal building paid in advance Rs 2,000.
- 5) Closing stock of stores on 31<sup>st</sup> March 2015 Rs 95,000.

(20 marks)

Q.5) Dr. Karekar is a medical practitioner. On 1<sup>st</sup> January, 2014 he had the following asset in his profession: Equipments and furniture Rs. 4,00,000; Telephone installation Rs. 30,000; Stock of medicines Rs.20,000 and Cash in hand Rs. 70,000.

The following is the Receipts and Payments Accounts of the profession for the year ended 31<sup>st</sup> December, 2014:

Receipts	Rs.	Payments	Rs.
Cash in hand	70,000	Purchase of medicine	3,50,000
Consultation fees	4,10,000	Salary of Assistant	1,00,000
Fees from operations	1,00,000	Purchase of motor car	2,00,000
Income from lectures	50,000	Postage and stationery	7,000
Sale of medicines	4,00,000	Telephone charges	6,000
		Professional periodicals	3,000
		Purchase of equipments	1,00,000
		Motor car expenses	15,000
		Subscription fees	3,000
		Household drawings	1,20,000
		Travelling expenses	66,000
		Cash in hand	60,000
	<b>10,30,000</b>		<b>10,30,000</b>

From the above details and information given below, ascertain the net income from profession of Dr. Karekar for the year ended 31<sup>st</sup> December, 2013 and prepare a Balance Sheet of the same as on that date:

- i) Stock of medicines on 31/12/13 was Rs. 30,000.
- ii) Depreciate equipment and furniture by 5% p.a.
- iii) Consultation fees accrued Rs. 60,000.
- iv) Salary of assistant due Rs. 20,000.
- v) 50% of the services of motor car is enjoyed by the family of Dr. Karekar.
- vi) Rs. 20,000 was still payable to the suppliers of medicines.
- vii) Provide Rs. 50,000 for income tax of the profession.

(20 marks)

Q.6) Write short notes on any four:

- 1) Revenue for shipping company
- 2) Incomplete voyage.
- 3) Distribution of surplus by co-operative societies.
- 4) System of accounting by the panchayats
- 5) Municipal accounting

(4x5=20)