

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao**

FYB.COM, SEM II, SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015

**FOUNDATION COURSE-ACCOUNTING (NEW COURSE)**

Duration:-2 hrs

Marks:-80

**Instructions:**

- i) **Question No. 1 is compulsory.**
- ii) **Answer any three questions from Question No. 2 to Question No. 6.**
- iii) **Start each new question on a fresh page.**
- iv) **Figures to the right indicate maximum marks.**

Q.1) From the following Trial Balance of Bharati Consumers' Co-operative Society Ltd., prepare Trading and Profit & Loss account for the year ended 31<sup>st</sup> March 2014 & Balance Sheet as on that date after taking into consideration the following adjustments given:

Trial balance for the year ended 31<sup>st</sup> March, 2014

| Debit balances                       | Amount(Rs.)      | Credit balances               | Amount(Rs.)      |
|--------------------------------------|------------------|-------------------------------|------------------|
| Electricity bill                     | 12,600           | Government Loans              | 1,50,000         |
| Maintenance of trucks                | 12,600           | Bank loan                     | 2,00,000         |
| Trucks                               | 75,000           | Deposits                      | 1,00,000         |
| Equipment                            | 40,000           | Sundry creditors              | 1,40,000         |
| Advances                             | 21,000           | Staff provident fund          | 50,000           |
| Furniture                            | 75,000           | Dividend received             | 14,500           |
| Machinery                            | 1,30,000         | Interest received             | 5,250            |
| Building                             | 3,00,000         | Other trading income          | 2,000            |
| Sundry debtors                       | 85,300           | Sales                         | 52,60,250        |
| National saving deposits             | 70,000           | Bad debts fund                | 17,000           |
| Investments in securities            | 2,25,000         | Building fund                 | 50,050           |
| Prepaid Expenses                     | 1,750            | Depreciation fund             | 72,450           |
| Contribution to staff provident fund | 2,000            | Share capital redemption fund | 25,000           |
| Cash in hand                         | 35,870           | Reserve fund                  | 1,25,000         |
| Cash at Bank                         | 1,05,000         | Share capital                 | 2,75,000         |
| Loans to members                     | 2,500            | Development fund              | 1,500            |
| Election expenses                    | 7,500            |                               |                  |
| Insurance                            | 1,280            |                               |                  |
| Advertising                          | 6,000            |                               |                  |
| Printing & stationery                | 14,200           |                               |                  |
| Postage                              | 1,700            |                               |                  |
| Rent & taxes                         | 21,250           |                               |                  |
| Travelling expenses-directors        | 7,950            |                               |                  |
| Travelling expenses-staff            | 1,600            |                               |                  |
| Director's meeting expenses          | 2,400            |                               |                  |
| Salaries & wages                     | 60,000           |                               |                  |
| Interest paid                        | 33,400           |                               |                  |
| Bad debts written off                | 2,500            |                               |                  |
| Rebate on purchases by members       | 7,400            |                               |                  |
| Purchases of goods                   | 49,95,000        |                               |                  |
| Opening stock of goods               | 1,32,200         |                               |                  |
| <b>Total</b>                         | <b>64,88,000</b> | <b>Total</b>                  | <b>64,88,000</b> |

Adjustments:-

- Closing stock was valued at Rs 1,50,500.
- Interest accrued on investments Rs 2,100.
- Insurance prepaid to the extent of Rs 380.
- Outstanding wages Rs 3,200 & outstanding rent Rs 600.
- Provide depreciation at 5% on building, 10% on machinery & furniture & 15% on equipment.
- Directors propose:- Dividend at 5%, Patronage fund 50%, Reserve fund 25%, Deficit fund 10%, Education fund 2%, Development fund 3%, Common welfare fund 3%.  
(20 marks)

Q.2) The following details are furnished by a shipping company in connection with Voyage No. 55 which was commenced from Vishakhapatnam on 1<sup>st</sup> Feb 2015. The ship arrived at Chennai on 31<sup>st</sup> March 2015 when the voyage was completed.

2000 tons & 500 tons were loaded at Vishakhapatnam for Chennai & Mormugao respectively. Another 300 tons were loaded at Mormugao Port for Chennai Port. The freight charges were:

Vishakhapatnam to Chennai – Rs 100 per ton

Vishakhapatnam to Mormugao – Rs 80 per ton

Mormugao to Chennai – Rs 50 per ton

The freight is subject to 10% primage, 5% address commission & 3% brokerage. The freight was insured at ½%. The hull was insured for the voyage @ 1%. Depreciation is provided @ 5% p.a. Cost of the ship is Rs 12 lakhs. The expenses at different ports were as under

| Expenses           | Vishakhapatnam | Mormugao | Chennai |
|--------------------|----------------|----------|---------|
| Port charges       | 6,000          | 3,000    | 3,000   |
| Coal               | 18,000         | 4,000    | ---     |
| Captain's expenses | 2,000          | 600      | 900     |
| Harbour wages      | 4,000          | 3,000    | 2,500   |

Stores purchased at commencement amounted to Rs. 8,000. Opening stock of stores was Rs. 5,000 & closing stock of stores was Rs. 2,000. Stock of coal at close is estimated at Rs. 4,500 as against stock of Rs. 1,500 at the beginning. Salaries & wages of sailors etc. amounted to Rs. 12,000 per month.

(20 marks)

Q.3) Mr Vishal Keni is a Chartered Accountant. He occupies 1/4<sup>th</sup> of his own residential house for carrying his profession. From the following particulars relating to the year ending 31<sup>st</sup> Dec, 2014. Prepare the Profit & Loss Account for his profession & Income & Expenditure Account for household.

Receipt & Payment Account for the year ended 31<sup>st</sup> Dec 2014

| Receipt                | Amount(Rs.)     | Payment                                     | Amount(Rs.)     |
|------------------------|-----------------|---|-----------------|
| Cash in hand & at bank | 1,20,000        | Printing & Stationery                       | 10,000          |
| Audit fees             | 4,00,000        | Institute fees                              | 1,500           |
| Income tax             | 1,20,000        | Rent (notional)                             | 24,000          |
|                        |                 | Salary to office staff                      | 36,000          |
|                        |                 | Motor car expenses                          | 50,000          |
|                        |                 | Electricity charges                         | 16,000          |
|                        |                 | Telephone charges                           | 12,000          |
|                        |                 | Purchase of books & journals for profession | 15,000          |
|                        |                 | Drawings                                    | 2,40,000        |
|                        |                 | Cash in hand & at bank                      | 2,35,500        |
| <b>Total</b>           | <b>6,40,000</b> | <b>Total</b>                                | <b>6,40,000</b> |

- He is the owner of the motor car which he uses equally for his profession & personal purpose.
- The office staff devotes 25% of his time to household work of Mr. Vishal Keni.

- c) 60% of his electricity charges may be considered to be for the household.  
d) The value of his family investment is Rs 4,00,000 from which interest is received Rs 4,000 per month.  
e) He is the owner of another house from which rent Rs. 3,000 per month is received.  
f) Annual expenditure of the household are food Rs 2,40,000; clothing Rs 60,000; miscellaneous petty expenses Rs 12,000.  
**( 20 marks)**

Q.4) Dr. Parag has his clinic housed in a part of his own bungalow for which a notional rent of Rs 36,000 per month is charged. The summary of his transactions during the year ended 2014 is as under:

| Particulars                                   | Amount(Rs.) |
|---|-------------|
| Pay of medical assistant                      | 5,00,000    |
| Gas & water                                   | 28,800      |
| Electricity                                   | 10,000      |
| Motor car expenses                            | 2,40,000    |
| Medical fees earned                           | 66,00,000   |
| Other household expenses                      | 12,00,000   |
| Provision for depreciation                    | 10,00,000   |
| Interest received on investments (profession) | 2,40,000    |
| Driver's pay ( monthly Rs 36,000)             | 3,96,000    |
| Food given onetime to driver from household   | 72,000      |
| Maid's pay ( household)                       | 1,20,000    |
| Household provisions                          | 3,84,000    |
| Telephone                                     | 44,000      |
| Printing & stationery(professional)           | 50,000      |

From the above transactions & further information provided below prepare Dr. Parag's Profit & Loss Account of the Profession and Income & Expenditure Account of the household.

- a) Allocate expenses on car & driver equally between household & profession.  
b) Allocate depreciation, electricity, gas & water as 1:4 between profession & household respectively & telephone expenses 3:2 respectively.

Ignore income tax. Entire profit of profession was drawn for household use.(20 marks)

Q.5) From the following information prepare Income & Expenditure Account for the year ending 31<sup>st</sup> March, 2014 of Mapusa Municipality and a Balance Sheet as on that date:

Balance Sheet as on 31<sup>st</sup> March, 2013

| Liabilities                   | Amount(Rs.)      | Assets                          | Amount(Rs.)      |
|-------------------------------|------------------|---------------------------------|------------------|
| Capital Fund                  | 8,00,000         | Cash at Bank                    | 2,00,000         |
| Outstanding creditors:        |                  | Cash in hand                    | 60,500           |
| Printing & Stationery         | 7,000            | Expenses recoverable from Govt. | 23,000           |
| Stores                        | 42,500           | Professional tax accrued        | 6,700            |
| Advance for marketing complex | 2,50,000         | Investment in Municipal Fund    | 3,20,000         |
|                               |                  | Stores                          | 1,17,000         |
|                               |                  | Fixed Assets                    | 3,72,300         |
| <b>Total</b>                  | <b>10,99,500</b> | <b>Total</b>                    | <b>10,99,500</b> |

Receipt & Payment Account for the year ending 31<sup>st</sup> March, 2014

| Receipts            | Amount(Rs.) | Payments                    | Amount(Rs.) |
|---------------------|-------------|-----------------------------|-------------|
| To balance b/d      | 2,60,500    | By establishment expenses   | 2,00,000    |
| To Non-tax revenue: |             | By printing & stationery    | 9,500       |
| Water supply        | 1,90,000    | By public relation expenses | 55,000      |
| Sewerage & drainage | 3,00,000    | By water supply & water     | 2,40,000    |

|                                  |                  |                                  |                  |
|----------------------------------|------------------|----------------------------------|------------------|
|                                  |                  | works                            |                  |
| Roads                            | 3,10,000         | By sewerage & drainage           | 2,60,000         |
| Lighting                         | 54,000           | By lighting                      | 1,80,000         |
| Health services                  | 1,00,000         | By roads                         | 2,00,000         |
| Other receipts                   | 75,000           | By health services               | 2,20,000         |
| To tax revenue:                  |                  | By investments                   | 1,40,000         |
| House tax                        | 1,38,000         | By stores                        | 2,50,000         |
| Vehicle tax                      | 1,62,000         | By payment for marketing complex | 3,00,000         |
| Professional tax                 | 1,45,500         | By municipal services            | 7,85,500         |
| Other taxes                      | 4,55,000         | By balance c/d                   | 1,50,000         |
| To advance for marketing complex | 8,00,000         |                                  |                  |
| <b>Total</b>                     | <b>29,90,000</b> | <b>Total</b>                     | <b>29,90,000</b> |

Other information:-

- Outstanding creditors for printing & stationery as on 31-3-2014 Rs. 32,000.
- Outstanding creditors for stores as on 31-3-2014 Rs 10,000.
- Stock of stores as on 31-3- 2014 Rs 60,000.
- Professional tax accrued on 31-3-2014 Rs 8,000.

(20 marks)

Q.6) Write short notes on **any four**:

(4x5=20 marks)

- Activities undertaken by the Panchayats for locals development
- Source of revenue for the Municipalities
- Books of accounts maintained by professionals
- Distribution of profits by co-operative societies
- Voyage expenses