

**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:-

- a) Closing stock was valued at Rs 1,50,500.  
 b) Interest accrued on investments Rs 2,100.  
 c) Insurance prepaid to the extent of Rs 380.  
 d) Outstanding wages Rs 3,200 & outstanding rent Rs 600.  
 e) Provide depreciation at 5% on building, 10% on machinery & furniture & 15% on equipment.  
 f) 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 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>

- a) He is the owner of the motor car which he uses equally for his profession & personal purpose.  
 b) 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