

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 31st March, 2014 & Profit & Loss Appropriation & Balance Sheet as on that date from the trial balance for the year ended 31st 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 | |
| Total | 34,23,750 | 34,23,750 |

Adjustments:-

- 1) Outstanding rent payable on 31st 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 31st July, 2013 to acquire the business as on 1st April 2013. The first accounts were closed on 30th 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 30th 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 31st 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 | |
| Total | 6,40,000 | 6,40,000 |

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 31st 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 31st December, 2014 was Rs 32,000.

Prepare the Income & Expenditure A/c for the year ended 31st 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 31st March 2014 & a Balance Sheet as on that date:

Balance sheet as on 31st 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 |
| Total | 5,65,000 | Total | 5,65,000 |

Receipt and Payment A/c for the year ended 31st 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 |
| Total | 10,66,500 | Total | 10,66,500 |

Additional information:-

- 1) Provide Rs 12,500 for depreciation on fixed asset.
- 2) Accrued professional tax on 31st March 2015 Rs 2,000.
- 3) Expenses outstanding on 31st 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 31st March 2015 Rs 95,000.

(20 marks)

Q.5) Dr. Karekar is a medical practitioner. On 1st 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 31st 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 |
| | 10,30,000 | | 10,30,000 |

From the above details and information given below, ascertain the net income from profession of Dr. Karekar for the year ended 31st 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)