

VidyaVikas Mandal's
Shree Damodar College of Commerce and Economics, Margao-Goa
S.Y.Bcom Semester III

End Semester Examination, October 2015
(Revised Syllabus w.e.f 2014)

APPLIED COMPONENT-ACCOUNTING-III (new course)

Time: 2 hours

Max Marks: 80

Instructions: 1) QNo1 is compulsory.

2) Answer any three from QNo2 to QNo6.

3) Figures to the right indicate maximum marks

4) Start each question on a fresh page.

Q1. On 31st December 2014 Mr. Suresh filed his petition for bankruptcy, On which date his business affairs were as follows.:

Particulars	Amount
Cash in hand	500/-
Bills Receivable(estimated to realise Rs.5,200)	12,000/-
Book Debts	
Good	15,000/-
Doubtful(estimated to realise Rs.10,000)	22,000/-
Bad	8,000/-
Fixtures & fittings(estimated to realise Rs.4,000)	5,000/-
Stock in trade(estimated to realise Rs.32,000)	40,500/-
Freehold property (estimated to realise 12,000)	30,000/-
Building (estimated to realise Rs.68,000)	75,000/-
Overdraft with bank (holding first charge on building)	25,000/-
Sundry creditors(holding second charge on building to the extent of Rs. 40,000)	52,000/-
Creditors for Rent, Taxes etc of which Rs 2,800 are preferential	8,000/-
Contingent liability for bill under discount Rs.8,000/- expected to rank	6,500/-
Cash at Bank	1,000/-
Loss through gambling	13,000/-

He commenced his business with a capital of Rs 70,000/- on 1st January 2012 and the business resulted in a profit of Rs. 20,000. He suffered losses of Rs.6,000/- and Rs.2,000/- in the next two years, after allowing Rs.1,000/- as interest on capital each year. Drawings for the whole period amounted to Rs.24,000/-.

Prepare Mr. Suresh's Statement of Affairs & Deficiency Account as on 31st Dec 2014.(20 marks)

Q2. On 1st April 2014 Samsung Co.Ltd.held 9% Debentures of Akai Ltd. Of the face value of Rs1,00,000at a cost of Rs. 80,000/- . Interest is payable on 31st December every year. On 1st December 2013, debenture of face value Rs. 60,000/- were purchased for Rs 95/- ex-interest & on 31st December 2013, Debentures of nominal value of Rs. 20,000/- were sold for Rs. 90/- .On 1st January 2014, Debentures of face value of Rs. 60,000/- were bought at Rs. 97/-. The market value of debentures on 31stMar 2015 was at Rs. 92/-.

Prepare Investment Account of Samsung Co Ltd. For the year ended 31-03-2015 valuing debentures using FIFO method.

(20 marks)

Q3.Sita & Gita are partners of “Niyaz” hotel. The following Trial balance was extracted from their books on 31-03-2015.

Particulars	Debit(Rs)	Credit(Rs)
Capitals		
Sita		70,000/-
Geeta		60,000/-
Current A/C		
Sita	500/-	
Geeta		200/-
Drawings		
Seeta	4,000/-	
Geeta	8,000/-	
Salaries	45,520/-	
Creditors		8,660/-
Deposits – Advance Booking		1,500/-
Stock	7,000/-	
Insurance	1,220/-	
Postage & telephone	3,680/-	
Laundry	4,440/-	
Rates	6,700/-	
Loan A/C		10,000/-
Bad debts	780/-	
Advertising	5,020/-	
Furniture & fitting	13,600/-	
Debtors	4,540/-	
Discount received		1,560/-
China, cutlery & linen	9,000/-	
Repair & replacement	3,740/-	
Cash in hand	660/-	
Ca\$h at bank	45,420/-	
Leasehold premises	1,00,000/-	
Lighting	9,680/-	
Trading A/C (Gross profit)		1,21,580/-
Total	2,73,500/-	2,73,500/-

Additional information

- a. Profits & losses to be shared in the ration of 5:4
- b. Provide 4% interest on capital & Seeta is entitled to salary of 10% of net profit.
- c. Provide interest on loan @5%
- d. Outstanding salaries Rs. 400/- & prepaid advertising Rs.1,000/-
- e. write off Rs 400/- as Bad Debts
- f. provide for depreciation
 - i. furniture and fitting @ 10%
 - ii. leasehold premises Rs. 16,000
 - iii. china, cutlery and linen were revalued at Rs. 8,000/-

Prepare: Profit & Loss A/C for the year ended 31-03-2015, Profit & Loss appropriation A/C for the year ended 31-03-2015, Partners current A/C and Balance Sheet as on 31-03-2015.

(20 marks)

Q4. Ms. Prasad finds himself insolvent on 31st December, 2014 when his affairs were as follows.

Particulars	Amount (Rs.)
Creditors on open account	1,44,750.
Speculative loss	30,000.
Creditors for salaries, wages etc. (Rs.3,750 preferential)	6,000
Motor Truck (estimated to realize Rs.42,000)	49,260
Bill receivable (estimated to realize Rs.13,500)	18,000
Office premises (estimated to realize Rs.1,12,500)	1,35,000
Bills Payable	12,000
Book- debtors:	
Good-	30,000
Doubtful (estimated to realize Rs.30,000)	45,750
Creditors (Holding first charge on Office Premises)	52,500
Creditors (Holding second charge on Office Premises, to the extent of Rs.45,000)	60,000
Cash in hand	240
Fixtures and Fittings (estimated to realize Rs.9,750)	13,500

He started his business on 1st January 2012 with a capital of Rs.1,20,000. His trading results are as follows:

2012	Profit	22,500
2013	Loss	30,750
2014	Loss	42,450

He allowed interest on capital of Rs.5, 400 every year. His withdrawals for the three years amounted to Rs.39, 000. He has personal asset of the value of Rs.9, 000 and a private creditor for Rs.15,000.

From the above particulars, prepare statement of affairs and Deficiency Account of Mr. Prasad as on 31st Dec 2014.

(20 Marks)

Q5. Controlnet Ltd resolved to issue 10,00,000 equity shares of Rs 10 each at a premium of Rs 1 per share. One lakh of the shares were taken up by the directors and their relatives. The remaining shares were offered to the public, the entire amount being payable on application. The issue was underwritten by x, y and z for a commission of 2%. 65% of the issue was underwritten by X, while Y and Z's share was 25% and 10% respectively. Their firm underwriting was as follows:

X-30,000 shares, Y- 20,000 shares, Z-10,000shares. The marked applications were as follows: X- 1,19,500 shares, Y-57,500 shares, Z-10,500 shares. The unmarked applications totaled to 7,00,000 shares. The accounts with the underwriters were settled promptly.

Prepare a) The Statement showing liability of individual underwriters. b) Calculate underwriting commission. c) Statement showing amount due to/ from individual underwriters.(20 marks)

Q6. Write Short Notes on (any four):

(20 marks)

- a) Underwriting Commission.
- b) Importance of Hotel Accounting.
- c) Order of Adjudication.
- d) Investments.
- e) Types of underwriting.