

Shree Damodar College of Commerce & Economics, Margao-Goa

S.Y.B.Com, Semester - III, MAY/JUNE SUPPLEMENTARY EXAMINATION 2017

Applied Component- Accounting-III (new course)

Duration: 2 hours

Marks: 80

- Instruction:** 1) Question no 1 is compulsory
 2) Answer any **three** from Q. no. 2 to Q.no. 6
 3) Figures to the right indicate maximum marks
 4) Start each new question on a fresh page

Q1 Shri Mahesh Kumar finds himself insolvent on 31/12/2010 His position was as follows: (20 mks)

Sundry Debtors

Good	Rs. 10,000
Doubtful	Rs. 60,000 (estimated to produce Rs. 50,000)
Bad	Rs. 30,000

Particulars	Amount
2,000 shares in Telco Co. Ltd (estimated to produce Rs. 30,000)	50,000
Shares in Reliance Co. Ltd. (estimated to produce Rs 1,50,000)	1,83,000
Loss from betting	4,000
Unsecured creditors	1,71,200
Creditors holding a 2 nd charge on the shares in Reliance Co. Ltd. to the extent of Rs. 50,000	60,000
Creditors holding a 1 st charge on the shares in Reliance Co. Ltd.	80,000
Bills payable	8,000
Creditors for rent, rates, taxes etc of which Rs. 9,200 are preferential	10,000
Furniture (estimated to realize Rs. 6,000)	30,000
Cash in hand and at Bank	1,100
Stock in trade (estimated to realize Rs. (60,900)	71,900
Bills receivable (estimated to realize Rs. 14,000)	18,000

Mahesh Kumar started with capital of Rs. 1, 40,000 on 01/01/2008 and the business resulted with a profit of Rs. 17,600 and 20,200 for the first two years respectively and the loss of Rs. 10,000 for the 3rd year. Interest on capital of Rs 7,000 was allowed each year. Withdrawals for the whole period amounted to Rs. 60,000

Prepare Statement of Affairs and Deficiency Account of Shri Mahesh Kumar

(20 mks)

Q2 Mr. Rajiv furnishes the following details relating to his holdings of 6% Government Bonds.

- 1) 01/01/2013 opening balance face value Rs 1,20,000 cost Rs. 1,18,000
- 2) 01/03/2013 200 units purchased ex-interest at Rs 98
- 3) 01/07/2013 sold 400 units ex-interest at Rs. 100
- 4) 01/10/2013 purchased 100 units at Rs. 98 cum-interest
- 5) 01/11/2013 sold 400 units ex-interest at Rs. 99 the face value of each unit is Rs. 100. Interest is payable on 31st March and 30 September. Mr. Rajiv closes his books every year on 31st December.

Show the Investment A/c as it would appear in his books.

(20 mks)

Q3 Hotel Riverside has an authorized capital of Rs 24, 00,000 divided into equity shares of Rs. 100 each. The balances as per ledger of the Co. as at 31st March 2012, were as follows:

Particulars	Amount
Premises	12,00,000
Calls in arrears	30,000
Kitchen Equipment	14,40,000
Interim dividend paid	30,000
Purchases	7,40,000
Preliminary expenses	20,000
Freight	52,400
Directors fees	22,960
Bad debts	8,440
6% Debentures	12,00,000
Profit & Loss appropriation A/c (credit)	58,000
General Reserves	1,00,000
4% Government securities	2,40,000
Stock (01/04/2011)	3,00,000
Restaurant furniture	28,800
Visitors ledger	3,48,000
Goodwill	1,00,000

Cash in hand	3,000
Cash at bank	1,59,600
Wages	3,39,200
General expenses	67,600
Salaries	58,000
Debenture interest up to 30/09/2011	36,000
Bills payable	1,52,000
Sales	16,60,000
Provision for bad debts	14,000
Share capital (fully called 18,400 shares of Rs. 100 each)	18,40,000
Creditors	2,00,000

Additional information:

- 1) Depreciate kitchen equipment @ 10% and restaurant furniture @5%.
- 2) Write off 1/5th of the preliminary expenses.
- 3) Make bad debts provision @ 5% on sundry debtors.
- 4) Provide final dividend @5%
- 5) Transfer Rs. 40,000 to general reserve.
- 6) Make provision for income tax to the extent of Rs. 1,00,000
- 7) The stock on 31st March, 2012 was valued at Rs. 4,04,000
- 8) Rs. 40,000 wages were utilized for adding rooms to the premises. No entry has been made for it.
- 9) Interest on government securities need not be calculated.

You are required to prepare

- a) Statement of Profit and Loss
- b) Balance Sheet as on 31st March, 2012 as per revised schedule III

(20 mks)

- Q4 on 01/01/2012 Mr. Xavier had 20,000 Equity shares in Tulip Ltd. Purchased for Rs. 2, 50,000 face value of each share Rs. 10. On 15/05/2012 Tulip Ltd made a bonus issue of 1 fully paid share for every 2 shares held. In addition on the same day right shares were issued at 3:5 ratio at a premium of Rs. 3. Rs. 7 to be paid on application and the balance in one call after a month. These shares are not to rank for dividend for the year ending 30/06/2012. 4,000 right shares were taken up by Glen Ltd. and the balance of the shares were sold at Rs. 2 each on 25/05/2012. On 15th October 2012 the company declared a dividend of 20% for the year ending 30/06/2012

Prepare the Investment Account of X Ltd. for the year ended 31/12/2012

(20 mks)

- Q5 D-Link came up with an issue of 40,00,000 equity shares of Rs. 10 each at par. 10,00,000 share were issued to the promoters and the balance was offered to the public. It was underwritten by 3 underwriters Rupesh, Dinesh and Suhas equally with firm underwriting of 1,00,000 shares each. Subscription totaled to 25,94,000 shares including the marked applications which were as follows:

Rupesh- 8,50,000 shares, Dinesh- 9,00,000 shares and Suhas 7,00,000 shares.

The amount payable on application and allotment were 2.50 and 2.00 respectively. The agreed commission was 2.5%.

You are required prepare

- a) A statement showing allotment of shares to the underwriters
- b) Commission due to each of them
- c) Net cash paid or received

- Q6 Write short notes: (any four)

(4x5= 20 mks)

- 1) Underwriting commission
- 2) Importance of Hotel Accounting
- 3) Order of Adjudication
- 4) Investments
- 5) Types of underwriting