

Vidya Vikas Mandal's  
Shree Damodar College of Commerce and Economics Margao-Goa  
F.Y.BCOM SEM I, **MAY/JUNE SUPPLEMENTARY EXAMINATION 2018**  
**FINANCIAL ACCOUNTING - I**

**Duration: 02 Hrs**

**Max. Marks: 80**

Instructions:

1. Figures to the right indicate maximum marks
2. Start each question on a fresh page
3. Question No 1 is compulsory
4. Answer any 3 questions from Q no. 2 to Q no. 6

Q1. Mr. Chandra is a sole trader who keeps his books under Single Entry System. The following is the information available: [20 Marks]

Particulars	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016
Stock	1,75,000	2,00,000
S. Debtors	3,44,000	4,50,000
S. Creditors	1,12,500	85,000
Machinery	1,56,000	1,56,000

The Cash Book reveals the following information for the year ended 31-3-2016

Receipts	Amt (Rs.)	Payments	Amt (Rs.)
To Bal b/d	1,87,500	By S. Creditors	1,50,000
To S. Debtors	6,00,000	By Wages	30,000
To Sales	1,35,000	By Trade expenses	20,000
To Commission	9,000	By Salaries	2,80,000
		By Drawings	1,60,000
		By Bal c/d	2,91,500
	<b>9,31,500</b>		<b>9,31,500</b>

Mr. Chandra also informs about the following information:

- a. Provide reserve for doubtful debts @ 5% on debtors.
- b. Depreciate Machinery @ 10% p.a.
- c. Interest on capital is @ 5% p.a.

Prepare Trading and Profit & Loss Account and Balance Sheet for the year ended 31-3-2016.

Q2. Alpha Ltd. purchased machinery on 1-1-2011 for Rs. 2,00,000 and spent Rs. 40,000 for installation. The life of the machinery is four years and the estimated scrap value is 20,000. It is decided to provide for the replacement the machinery by taking up an insurance policy. The annual premium is Rs. 52,000 and the scrap value realized at the end of four years is Rs. 20,800. Alpha Ltd. closes its books as on 31<sup>st</sup> December every year.

Prepare Machinery Account, Sinking Fund Account and Insurance Policy Account for the four years from 2011 to 2014. (20 marks)

Q3. Usha Ltd. has a authorized capital of Rs. 4,00,000. The company issues for public 20,000 equity shares of Rs. 10 each at a premium of Rs. 5 per share payable as : on application Rs. 6 (including premium Rs. 3), on allotment Rs.5 (including premium Rs. 2), first call Rs. 2 and final call Rs. 2.

Applications were received for 35000 shares. The allotment was made in the following ways:

- i. For 5,000 shares -- in full
- ii. For 20,000 shares ---15000 shares
- iii. For 10,000 shares ---NIL

Directors while making allotment adjusted the excess amount required on application against allotment money. When final call was made, shareholders holding 500 shares failed to pay the final call money. The directors then forfeited these shares. All the forfeited shares were re-issued at Rs. 9 per share. Journalize the transactions. (20 marks)

Q4. Deltin Ltd. purchased on 1-1-2013 machinery for Rs. 1,50,000 and decided to provide for its replacement at the end of three years by using the sinking fund method, taking the scrap value at Rs.25,000 and rate of interest as 10% p.a.

On 31-12-2015, the sinking fund investments were sold at 5% below book value and the machinery scrap realized Rs. 15000.

Show the Machinery A/c, Sinking Fund A/c and Sinking Fund Investment A/c for 2013, 2014 and 2015 assuming that according to the sinking fund tables Rs. 0.3021 p.a. amounts to Rs. 1 in three years at 10% p.a. (20 marks)

Q5. Rolta Ltd. has 24000 8% preference shares of Rs. 100 each fully paid which were to be redeemed on 31<sup>st</sup> December 2015 at a premium of 4%. The company on that date had a general reserve of Rs. 22,50,000. For the purpose of redemption the company issued 6000 equity shares @ Rs. 100 each at a premium of 6% and 12000 debentures @ Rs.100 at a premium of 3%. Both the new issues were fully subscribed and were duly carried out. Journalize the transactions. (20 marks)

Q6. TPS Ltd furnishes the following Balance Sheet as at 31<sup>st</sup> March 2015.

(20 marks)

Liabilities	Amt (in Crores)	Assets	Amt (in Crores)
Equity shares of Rs. 10 each	50	Fixed Assets	150
10% Preference shares of Rs. 100 each	75	Investments	120
Capital Reserve	50	Current Assets	295
Revenue Reserve	250		
Current Liabilities	140		
	<b>565</b>		<b>565</b>

The company purchased its own 100 lakh equity shares of Rs. 10 at Rs. 25 per share on 1<sup>st</sup> April 2015 out of free reserves. The company also redeemed preference shares on the same date. The payments for the above were made out of bank account which forms part of current assets. Journalize the transactions.