

**VidyaVikasMandal's**  
**Shree Damodar College of Commerce & Economics Margao Goa**  
**F.Y.B.Com Semester – I, May/June Supplementary Examination –2018**  
**Sub: - Foundation Course- Accounting (old course)**

**Duration: - 2 hrs**

**Marks: - 80**

- Instructions:**
- 1) Q.No.1 is compulsory
  - 2) Attempt any three questions from Q.No.2 to .No.6
  - 3) Figures to the right indicate maximum marks.
  - 4) Start each question on a fresh page

Q. 1) Pankaj Ltd took a mine on lease from Mr. Kedarat a Royalty of 50 paise per ton. Of coal raised minimum rent was Rs. 48,000/- Short working was to be recouped during the first 2 years. The coal raised in the first four year was as follows

Year	Coal Raised (Tons)
2012	80,000
2013	90,000
2014 (strike for 3 months)	60,000
2015	1,20,000

There was a provision for proportionate reduction in minimum rent in case of stoppage of work by strike, accidents etc.

**Prepare Royalty A/c, Short Working A/c and Kedars A/c in the books of Pankaj Ltd.**

**(20 marks)**

Q2) On 1<sup>st</sup> April 2010, Mallika Transport Ltd. Purchased one car from Naina Motor ltd. On Hire Purchase basis. The cash price of the car was Rs. 1,00,000. It was agreed that Rs. 10,000 would be paid on signing the agreement and balance by 4 equal annual installments of Rs. 25,000 each commencing from 31<sup>st</sup> March 2011. Mallika Transport closes its books on 31<sup>st</sup> March every year. Depreciation is charged on car @ 10% on Written down value method.

Show the analysis table and also pass ledger entries in the books of Mallika Transport Ltd. By opening following accounts:-

**a) Car Account b) Naina Motor Ltd Account c) Depreciation Account. (20 marks)**

Q3) Sia Ltd purchased a machine from Dharma Ltd under Installment Purchase System on 1<sup>st</sup> April 2012 paying an amount of Rs. 6,00,000 as down payment and agreed to pay three further installments of Rs. 6,00,000 each on 31<sup>st</sup> March every year commencing from 31<sup>st</sup> march 2013.

The cash price of the machine is Rs. 22,40,000 and Dharma Ltd charges interest at 5% per annum. Sia Ltd charges 20% p.a. as depreciation under Diminishing Balance Method. Sia Ltd closes their accounts on 31<sup>st</sup> march every year.

You are required to prepare :-

- 1) Machine Account 2) Interest Suspense Account 3) Dharma Ltd Account  
4) Interest Account in the Books of Sia Ltd. (20 marks)

Q4) Nihal Metals Ltd had an authorized capital of Rs. 20,00,000 divided into 1,00,000 Equity shares of Rs. 10 each, 10,000 12% Preference shares of Rs. 100 each.

The Company offered to the public for subscription 40,000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as follows:-

Rs. 3 on Application

Rs. 4 on Allotment (including premium)

Rs. 2 on First call

Rs. 3 on Final call

The company received applications for 70,000 shares. Out of these, letters of regret were issued to the applicants of 10,000 shares. Full allotment was made to the applicants of 20,000 shares and Pro-rata allotment was made to the balance applicants and the excess money received on applicants was adjusted against the amount due on allotment. All money due on allotment and the calls were received except Ms. Prashant holding 250 shares to whom full allotment was made failed to pay the allotment and two calls.

Pass Journal Entries and Show how the items would appear in Balance Sheet in the books of Nihal Metals Ltd. (20 Marks)

Q 5) The following balances are appearing in the books of Deepali Constructions Ltd.

Redeemable Preference Share Capital	Rs. 2,50,000
Calls in arrears ( Redeemable Pref. Share)	Rs. 5000
General Reserve	Rs. 1,50,000
Share Premium	Rs. 20,000
Development Rebate Reserve	Rs. 1,00,000

It was ascertained that

- 1) Preference Shares are of Rs. 100 each fully called due for redemption at a premium of 10%.
- 2) Calls in arrears are an account of final call on 250 shares held by Mr. Kamlakar.
- 3) Rs. 25,000 of the Development Rebate Reserve is free for distribution as dividend.
- 4) Balance of General Reserve and share premium to be fully utilized for the purpose of redemption and the short fall to be made good by issue of equity shares of Rs. 10 each at par.
- 5) The redemption of preference shares was duly carried out.

You are required to pass the Journal entries for redemption of preference shares.

(20 marks)

**Q6) Write short notes on any four (5 marks x 4) =**

**20 marks**

- 1) Recoupment of Short Workings
- 2) Process of Book Building
- 3) Forfeiture of Shares
- 4) Sub lease agreement
- 5) Repossession
- 6) Differentiate between Higher Purchase and Installment System