

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics Margao Goa
F.Y.B.Com Semester -I End Semester Examination –October 2016
Sub: - Foundation Course-Accounting

Duration:-2 hrs

Marks:-80

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

Q.1) Coal Ltd leased land from Mr. Suresh at a Royalty of 50 paise per ton. Of coal raised minimum rent was Rs 24,000/- 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)
2002	40000
2003	45000
2004 (Strike for 3 Months)	30000
2005	60000

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 Suresh's A/c in the books of Coal Ltd.(20 Marks)

Q.2) Vidya publishers purchased two printing machines from Bharat Machineries Ltd on Hire purchase System on 1st April 2011. The cash price of each machine was Rs 1,25,000. Payment was made as follows

1/4/2011	Rs 30,000 per machine
31/03/2012	Rs 35,000 per machine
31/03/2013	Rs 40,000 per machine
31/03/2014	Rs 45,000 per machine

Depreciation at 15% p.a on diminishing value is charged. The company closes its book on 31st March every year.

Prepare

- 1) Bharat Machineries A/c 2) Machinery A/c 3) Interest A/c
- 4) Depreciation A/c in the books of Vidya Publishers

(20 Marks)

Q.3) Gauri Plastics Ltd was Formed with an authorised capital of Rs 40,00,000 divided into 2,00,000 Equity shares of Rs 10 each, 20,000 8% Preference shares of Rs 100 each.

The company offered to the public for subscription 80,000 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 1,40,000 shares. Out of these, letters of regret were issued to the applicants of 20,000 shares. Full allotment was made to the applicants of 40,000 shares and Pro-rata allotment was made to the balance applicants and the excess money received on applications was adjusted against the amount due on allotment. All money due on allotment and the calls were received except Mr. Kamal holding 500 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 Gauri Plastics Ltd.

(20 marks)

Q.4) The following balances are appearing in the books of Well done Ltd.

Redeemable Preference Share Capital	Rs. 5,00,000
Calls in arrears (Redeemable Pref. Share)	Rs 10,000
General Reserve	Rs 3,00,000
Share Premium	Rs 40,000
Development Rebate Reserve	Rs 2,00,000

It is 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 500 shares held by four members whose whereabouts are not known
 - 3) Rs 50,000 of the Development Rebate Reserve is free for distribution as dividend
 - 4) Balance of General Reserve and share premium to be fully utilised 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)

Q.5) T.C. Company Ltd purchased a motor car from M.M Co. on instalment purchase system on 1st April 2007 paying cash Rs 3,00,000 & agreeing to pay three further instalments of Rs. 3,00,000 each on 31st March every year commencing from 31st March 2008

The cash price of the car is Rs 11,20,000 and M.M Co charges interest at 5% per annum. T.C Co writes off 20% p.a as depreciation under written down value method. T.C Co closes their accounts on 31st March every year.

You are required to prepare

1) Motor Car A/c, 2) Interest Suspense A/c 3) M M Co's A/c 4) Interest A/c in the books of T.C Company Ltd

(20 Marks)

Q.6) Write short notes on any four

(4x5=20)

- 1) Minimum rent
- 2) Creation of Capital Redemption Reserve
- 3) Process of Book Building
- 4) Buy Back of Shares
- 5) Difference between hire purchase system & instalment purchase system
- 6) Sub lease agreement