

VidyaVikasMandal's
Shree Damodar College of Commerce & Economics Margao Goa
F.Y.B.Com Semester – I, Supplementary Examination, May/June 2019
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

Q1) On 1st January 2014, Pragma Transport Ltd. purchased one truck from Bharat Motor Ltd. on Hire Purchase basis. The cash price of the truck was Rs. 5, 00,000. It was agreed that Rs. 50,000 would be paid on signing the agreement and the balance by 4 equal annual installments of Rs. 1, 25,000 each commencing from 31st December 2014. Pragma Transport Ltd. closes its books of account every year on 31st December. Depreciation is charged on truck @ 10% on the Diminishing Balance Method. Show the analysis Table and also pass Ledger entries in the books of Pragma Transport Ltd. by opening following accounts:

- a) **Truck Account** b) **Depreciation Account** c) **Bharat Motor Ltd.**

(20 Marks)

Q2) Mr. Dcruz purchased refrigerator from Mundail Ltd under the Installment System. The payment agreement was agreed upon as follows:-

Date of Payment	Amount	No. of Installment
1 st January 2016	50,000	Down Payment
31 st December 2016	51,000	First Installment
31 st December 2017	47,000	Second Installment
31 st December 2018	33,000	Third Installment

The Vendor Charged interest @ 10% p.a. and cash price was Rs. 1, 60,000.

You are required to prepare the following Ledger accounts in the books of Mundali Ltd.

- a) **Interest Account** b) **Interest Suspense Account** c) **Mr. Dcruz Account.** **(20 marks)**

Q3) Bihar Mining Co. took a mine on lease at a royalty of Rs. 10 per tonne from Shukla Co. Ltd. The minimum rent was fixed at Rs. 40000 for the 1st year, Rs. 60,000 for 2nd year, Rs. 80,000 for the years thereafter. Short Workings of any year could be recouped out of royalty of next 2 years only. The production for five years was as follows:

- 1st Year – 2,000 Tonnes
 2nd Year- 4,500 Tonnes
 3rd Year- 6,000 Tonnes
 4th Year- 9,000 Tonnes
 5th Year- 12,000 Tonnes

Prepare Analysis Table along with following ledger accounts in the books of Bihar Mining Co.

- a) **Royalty Account** b) **Short Working Account** c) **Shukla Co. ltd. Account** **(20 marks)**

Q 4) a) Borosil Glass Ltd issued 1000 shares of Rs. 10 each at Rs. 12 each payable as under:-

Rs. 2.50 on Application

Rs. 4.50 on Allotment (including premium)

Rs. 2 on First call

Rs. 3 on Final call

Applications were received for 900 shares which were dully allotted. Allotment money was received in full. First and Final call money was also received in full except 200 shares. These shares were forfeited by the Directors.

Pass necessary Journal Entries in the books of Borosil Glass Ltd.

(12 marks)

Q 4) b) The following are the extract from the Draft Balance Sheet of Pruthvi Tiles Ltd. as on 31st March 2019.

Particulars	Amount (Rs)
Authorised Capital 2,00,000 equity shares of Rs. 10 each	20,00,000
Issued, called up and paid up capital: 1,60,000 Equity Shares of Rs. 10 each	16,00,000
Securities Premium	1,00,000
General Reserve	7,00,000
Capital Redemption Reserve	1,00,000
Profit and Loss Account	5,00,000

A resolution was passed declaring one bonus share for four shares held.

Pass Journal entries in the books of Pruthvi ltd. to give effect to the resolution stated above

(8 marks)

Q5) The following is the Balance Sheet of Jalebi Ltd. as on 31/03/2018

Particulars	Note No	31/03/2018
(I) Equity and Liabilities		
(1) Shareholders' Funds		
(a) Share Capital	1	9,00,000
(b) Reserves & Surplus	2	3,00,000
(2) Current Liabilities		3,00,000
Total		15,00,000
(I) Assets		
(1) Non-Current Assets		
(a) Tangible Assets	3	6,00,000
(b) Non- Current Investments		2,00,000
(2) Current Assets		
(a) Inventories		2,00,000
(b) Trade Receivables		2,00,000
(c) Cash & Cash Equivalents	4	3,00,000
Total		15,00,000

Notes forming part of Financial Statements

Note No.	Particulars	Amount(Rs)
1	Share Capital Issued and Subscribed Capital: - 5000, 13% Redeemable Preference Shares of Rs. 100 each - 50,000 Equity Shares of Rs. 10 each, Rs. 8 per share	5,00,000 4,00,000
	Total	9,00,000
2	Reserves & Surplus - Securities Premium - General Reserve - Profit & Loss A/c	98,000 90,000 1,12,000
	Total	3,00,000
3	Tangible Assets - Plant & Machinery - Furniture & Fixtures	4,00,000 2,00,000
	Total	6,00,000
4	Cash & Cash Equivalents - Cash at Bank - Cash in Hand	2,50,000 50,000
	Total	3,00,000

The Company decided:

- To convert the partly paid up equity shares into fully paid up on 1st April 2018, without requiring the shareholders to pay for the same.
- To redeem the preference shares on 30th April 2018 at a premium of 7.5% and for this purpose to issue 3,000 12% preference shares of Rs. 100 each at a premium of 10%, payable in full on application

The resolution was carried into effect. For the purpose of the above redemption on 29th April 2018 the company sold its Plant and Machinery costing Rs. 4,00,000 for Rs. 4,50,000 and Furniture & Fixtures costing Rs. 2,00,000 for Rs. 2,32,500 and all the Investments for Rs. 2,60,000. On 31st May 2018, all payments were made on redemption except to holders of 200 shares who could not be traced.

You are required to give necessary Journal Entries in the books of Jalebi Ltd. and also prepare Balance Sheet as per schedule 3. (20 marks)

Q6) Write short note on any four of the following:

(4 X 5 marks= 20 marks)

- Minimum Rent
- Difference between Hire Purchase System & Installment Purchase System
- Bonus Shares
- Forfeiture of Shares
- Repossession
- Conditions for Redemption of Preference Shares