

Shree Damodar College of Commerce & Economics, Margao-Goa
S.Y.B.Com, Semester - III, Semester End Examination, October 2016

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 Following is the Balance Sheet of Shri Jayesh as on 01/01/2010. He became insolvent on that date: **(20 mks)**

| Liabilities | Amount Rs. | Assets | Amount Rs. |
|--------------------|-----------------------|----------------------|-----------------------|
| Loan | 18,000 | Capital A/c | 10,000 |
| Bank overdraft | 14,000 | Goodwill | 2,000 |
| Bills payable | 4,000 | Land | 10,000 |
| Creditors | 22,000 | Machinery | 8,000 |
| | | Stock | 6,000 |
| | | Debtors | 14,000 |
| | | Shares in Travco Ltd | 6,000 |
| | | Cash in hand | 2,000 |
| | 58,000 | | 58,000 |

The other assets are estimated as under:

| | |
|-----------------------|--------|
| Machinery | 4,000 |
| Stock | 5,000 |
| Shares in Travco Ltd. | 3,000 |
| Debtors | 10,000 |

Additional information:

- 1) Creditors include Rs. 400 on account of income tax and Rs. 3,600 for preferential Debts.
- 2) He discounted bills receivable of Rs. 8,000 of which the bills of Rs. 3,000 are expected to rank.
- 3) Bank overdraft had first charge on machinery and second charge on land.
- 4) Loan is secured by first charge on land realizable value of which is Rs. 12,000.

Prepare the Statement of Affairs and Deficiency Account of Shri Jayesh.

Q2 Golden Finance Ltd holds as on 01/04/2013 (20mks)
Rs.1,00,000 (cost Rs.98,000) 6% Government of India loan. Interest is payable on 1st Jan and 1st July. The following purchases and sales were made out of these investments during the accounting year ended 31/03/2014. Face value of stock is Rs. 100 each.

- 1) Purchases on 1st Aug, 2013 face value Rs. 20,000 at Rs. 102 cum-interest.
- 2) Purchases on 1st Dec 2013 face value of Rs. 40,000 at Rs. 105 ex-interest.
- 3) Sales on 1st Nov, 2013. Face value Rs. 10,000 at Rs. 104 cum-interest.
- 4) Sales on 1st February 2014 face value Rs. 30,000 at Rs. 102 ex-interest.

Prepare the Investment A/c for the year 31/03/2014 and value the investment at cost by FIFO method

Q3 The following Trial Balance was extracted from the books of Hotel Monaliza as on 30th June, 2013. (20 mks)

| Particulars | Debit Rs. | Credit Rs. |
|------------------------|-----------|------------|
| Capital A/c | | |
| Ajay | | 3,60,000 |
| Sanjay | | 1,80,000 |
| Vijay | | 1,20,000 |
| Drawings | | |
| Ajay | 24,000 | |
| Sanjay | 18,000 | |
| Vijay | 12,000 | |
| Purchase of provisions | 4,80,000 | |

| | | |
|--|------------------|------------------|
| Sales | | 11,70,000 |
| Stock of provisions (as on 1 st July, 2012) | 21,000 | |
| Premises | 4,50,000 | |
| Wages and salaries | 2,95,200 | |
| Rates | 49,800 | |
| Postage and Telephone | 18,300 | |
| Kitchen utensils and equipment | 45,000 | |
| Bank Balance | 2,70,000 | |
| Printing and Stationery | 9,900 | |
| Cash | 2,700 | |
| Insurance | 10,200 | |
| Creditors | | 48,000 |
| Gas and Electricity | 56,100 | |
| Restaurant furniture | 52,800 | |
| Linen | 18,300 | |
| Office equipment | 12,900 | |
| Discount | | 6,000 |
| Visitors ledger | 7,800 | |
| Repairs and Renewals | 30,000 | |
| Total | 18,84,000 | 18,84,000 |

Additional information:

- 1) Closing stock of provision is Rs. 24,000
- 2) Accrued salary Rs. 4,200
- 3) Accrued electricity Rs. 3,000
- 4) Prepaid insurance Rs. 2,400
- 5) Provide for depreciation on furniture @ 12%, kitchen utensils Rs. 9,000 and Linen were revalued at Rs. 15,000
- 6) Provide interest on capital at 5%
- 7) Ajay and Sanjay are entitled to a salary of Rs. 24,000 and Rs. 30,000 respectively.
- 8) Profits were distributed in the ratio of 5:3:2

You are required to prepare the firms

- a) Trading and Profit and Loss A/c
- b) Profit and Loss Appropriation A/c for the year ended 30/6/2013
- c) Balance sheet as on that date

- Q4 On 01/06/2012 Finolex Ltd acquired 6,000 Equity shares of Rs. 10 each of starlight Ltd for Rs. 1, 20,000 on cum-rights basis. Starlight Ltd declared (20 mks)
- 1) One for three bonus issue on 01/07/2012
 - 2) One for four right issue on 01/09/2012 at 20% premium.

Finolex Ltd took up half of the right issue and sold the remaining Rights for Rs. 8 per share. They also sold half of its total shareholdings on 31/12/2012 for Rs. 74,000

You are required to prepare the investment A/c for the year ended 31/12/2012

- Q5 A joint Stock company issued 30, 00,000 Equity shares (20 mks) of Rs. 10 each at par. 30% of the issue was reserved for the promoters and the balance was offered to the general public. The entire amount being asked for the application.
- X, Y and Z agreed to underwrite the public issue in the ratio of 3:1:1 respectively and also agreed in firm underwriting of 60,000; 40,000 and 20,000 respectively. The underwriting commission was fixed at 2%. The marked applications were as follows:
- X: 11, 00,000 shares, Y: 4, 00,000 shares and Z: 3, 00,000 shares. Unmarked applications excluding for shares under firm underwriting totaled to 1, 00,000 shares

You are required to:

- 1) Calculate the no. of shares taken up by each of the underwriters.
- 2) Calculate the amount received from or paid to each of the underwriter by the company in settlement.

- Q6 Write short notes: (any four) (4x5= 20 mks)

- 1) Operating Ratios in Hotel Accounting
- 2) Ex-interest and cum-interest
- 3) Order of Adjudication
- 4) Bonus and Right shares
- 5) Marked and Unmarked applications