



॥ विद्या सर्वस्य भूषणम् ॥

PRABODHAN EDUCATION SOCIETY'S

Vidya Prabodhini College of Commerce, Education, Computer & Management
Vidyanagar, Alto-Parvari, Goa

SEMESTER END EXAMINATION-OCTOBER 2015 (REGULAR/REPEAT)

Semester: I

M.Marks:80

Sub: Accounting - I (Foundation Course)

Duration: 2 hours

Instructions:

1. Question No. 1 is compulsory
2. Attempt any three from question No. 2 to question No. 6
3. Working note should form part of the solution.
4. Every main question should begin on a fresh page.
5. Use of calculator allowed.

Q.1. Zing Ltd. invited applications for 20,000 shares of Rs. 10/- each. The share amount was payable as follows.

- ✚ On Application Rs. 2
- ✚ On Allotment Rs. 5 (including premium of Rs. 1)
- ✚ On First and Final call Rs. 4

Applications were received for 30,000 shares. Applications for 5,000 shares were rejected and allotment was made among the remaining applicants proportionately.

A person holding 1,000 shares did not pay the call money. The directors decided to forfeit these shares. They were reissued as fully paid at Rs. 8/- per share.

You are required to give the necessary journal entries and also show how the transactions would appear in the company's balance sheet. **(20 marks)**

Q.2.) The preference shares of Asian Sky Co. Ltd., were redeemed on April 1, 2016 at a premium of Rs.6.00 per share, the whereabouts of the holders of 1,000 such shares not being known. At the same time, a bonus issue of equity share was made at par, one share being issued for every five equity shares held. Show the journal entries to record the above transactions and the Balance sheet as it would appear after the redemption.

The following is the balance sheet of Asian Sky Co. Ltd. as at 31st March, 2016

	Particulars	Figures as at the end of the current reporting period
I.	EQUITY AND LIABILITIES	
(1)	Shareholders' Funds	
	(a) Share Capital	
	1) 50,000 Equity shares of Rs.10 each fully paid.	5,00,000
	2) 18,000, 10% Preference shares of Rs.10 each fully paid	1,80,000

	(b) Reserves & Surplus: Profit & Loss Account	5,80,000
(2)	Share Application money pending allotment	
(3)	Non-current liabilities	
(4)	Current liabilities	
	(a) Short term borrowings	
	(b) Trade payables	
	1) Sundry Creditors	40,000
	(c) Other current liabilities	
	(d) Short-term provisions	
	TOTAL	13,00,000
II.	ASSETS	
(1)	Non-current assets	7,50,000
(2)	Current assets	
	a) Cash and cash equivalents	5,50,000
	TOTAL	12,00,000

(20 marks)

Q. 3. On 1.4.2012 Mr. Manav purchased a car from Baba Motors on Installment system by paying Rs. 6,00,000 as down payment. The cash price of the car was Rs. 12,00,000. The balance amount is payable in 3 equal annual installments along with interest of 10% p.a. on 31st March each year.

Depreciation was charged at 15% under straight line method on car.

You are required to prepare:

1. Statement of Analysis of payment of Hire Purchase Price.

2. Following Ledger Accounts in the books of Mr. Manav.

a) Baba Motors Account b) Car Account c) Interest Account & d) Depreciation Account.

(20 marks)

Q.4. Seaman Coal Ltd. obtained a lease of coal mine on the basis of 100 paise per ton of coal raised subject to a Minimum Rent of Rs. 20,000 p.a.. The Tenant has the right to recoup short-workings of each year in the subsequent two years and not afterwards. The output was as follows.

2013	19,000 tons
2014	27,000 tons
2015	50,000 tons
2016	25,000 tons

You are required to prepare in the books of Seaman Coal Ltd. the following for the year 2013 to 2016.

i) Royalty statement, ii) Royalty A/c, iii) Short-workings A/c and iv) Lessor's A/c. (20 marks)

Q.5. Shambul Transport purchased a Truck from M/s Hira & Sons on installment basis on 1.1.2012 by paying Rs. 4,40,000 as down payment and the balance in three equal yearly installments with interest payable on 31st December of every year. The showroom price of the vehicle as quoted by M/s Hira & Sons was Rs. 12,80,000. Shambul Transport has been consistently following reducing balance method of charging depreciation @ 18% p.a.. Interest is charged at 12% p.a..

Prepare i) Truck A/c, ii) M/s Hira & Sons A/c, iii) Interest Suspense A/c and iv) Interest A/c in the books of Shambul Transport during the period.

(20 marks)

Q.6. Write short notes on: Any Four

(20 marks)

- a. Recoupment of short working.
 - b. Buy back of shares.
 - c. Issue of share at par, at premium and at discount.
 - d. Types of preference shares.
 - e. Conditions for redemption of Preference shares.
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