



॥ विद्या सर्वस्य भूषणम् ॥

PRABODHAN EDUCATION SOCIETY'S
Vidya Prabodhini College of Commerce, Education, Computer & Management
Vidyanagar, Alto-Parvari, Goa

SEMESTER END EXAMINATION – OCT - NOV 2017 (Regular/Repeat)

Sub: Financial Accounting

(AS PER CBCS)

Semester: I

M. Marks: 80

M. Time: 10:00 a.m – 12.00 p.m.

INSTRUCTIONS: 1. Each Question carries 20 marks

2. Question No.1 is compulsory
3. Answer Any Three from Question 2 – Question 6
4. Scientific calculators are not allowed.

1. On 1st January 2012 Custard purchased a machinery for 5 years at a cost of ₹ 5,00,000. It was decided to raise a depreciation fund to accumulate the above amount at the end of life of the machinery with interest of 15%p.a. The sinking fund table showed that an annual provision of ₹ 0.180960 amounts to ₹1 at the end of 5years. The investments were sold for ₹4,60,000. Write up Machinery account, depreciation fund account and depreciation fund investment account. (20)
2. Ms. Rasmalai maintained her books of accounts on single entry system. His balances for the year ended 31st March, 2016 and 31st March, 2017 were as follows: (20)

Particulars	31 st March, 2016	31 st March, 2017
Investments	40,000	24,000
Stock	17,900	18,800
Creditors	19,400	18,350
Cash	13,908	11,337
Bank overdraft	3,471	5,051
Debtors	19,361	18,355
Furniture	20,000	20,000

From her cash book following information is available:

Wages ₹1,800, miscellaneous expenses ₹7,000, salary ₹8,000, sales ₹12,000, purchases ₹10,000, cash received from debtors ₹12,450, payment to creditors ₹14,250, miscellaneous income ₹3,000 and drawings ₹ 1,500.

Other Information: Discount allowed and received were ₹ 4,000 and 3,550 respectively. Her bad debts were ₹560.

You are required to prepare Trading and profit and loss account for the year ended 31st March, 2017.

3. On 1/1/2012 Mr. Gulab Jamun purchased a lease for 5 years for ₹ 5,00,000. It was decided to provide for its depreciation for its replacement by means of an insurance policy for ₹ 5,00,000. The annual premium was fixed at ₹90,000. At the end of the last year a new lease was acquired for ₹ 6,00,000. Prepare the lease account, depreciation fund account and depreciation fund policy account for 5 years. (20)

4. The Balance Sheet of Kaju Katri Ltd. as on 31st March, 2017 is as follows: (20)

LIABILITIES	₹	ASSETS	₹
Equity shares of ₹10 each	6,00,000	Fixed Assets	20,90,000
10% Preference Shares of ₹100 each	1,50,000	Investments	6,00,000
Securities Premium	1,20,000	Current Assets (Including Bank balance of ₹1,25,000)	8,10,000
General Reserve	2,00,000		
Profit & Loss account	1,80,000		
10% debentures	10,00,000		
Term loan from Dena bank	8,00,000		
Current Liabilities	4,50,000		
	35,00,000		35,00,000

Keeping in view all the legal requirements, ascertain the maximum no. of equity shares that Kaju Katri Ltd. can buy back @ ₹50 per share. Assume that buy back was actually carried out. Investment costing ₹3,00,000 sold for ₹3,20,000. Pass journal entries.

5. The following is the Balance Sheet of Jalebi Ltd. as on 31/3/2016. (20)

LIABILITIES	₹	ASSETS	₹
19,000, 10% Preference Shares of ₹100 each	19,00,000	Fixed Assets	15,50,000
40,000, equity shares of ₹10 each	4,00,000	Current assets (including bank bal. ₹1,20,000)	14,60,000
Securities Premium	60,000	Investments	8,50,000
Profit and Loss	13,00,000		
Sundry Creditors	2,00,000		
	38,60,000		38,60,000

The Preference Shares are to be redeemed on 1st April, 2016, at a premium of ₹2 per share. ₹8,00,000 worth of Investments were sold for ₹7,20,000 and issued 80,000 Equity Shares of ₹10 each at a premium of ₹10 each for redemption.

The company redeemed the Preference Shares on 1st April, 2016 except in case of one shareholder holding 500 Preference Shares who cannot be traced. Subsequently the company issued bonus shares in the ratio of two equity shares for every four equity shares held including the new issue. You are required to pass necessary journal entries.

6. Pedha Ltd. invited applications for 10,000 shares of ₹100 each. The share amount was payable as follows:

On Application ₹25,

On Allotment ₹35 (incl. premium of ₹5) and

On Final call ₹45

Applications were received for 15,000 shares and company made a pro-rata allotment, remaining application money was adjusted against allotment money.

A person holding 500 shares did not pay the allotment and call money. The directors decided to forfeit these shares. They were reissued as fully paid at ₹85 per share. Give necessary journal entries.

(20)

***** ALL THE BEST *****