

PRABODHAN EDUCATION SOCIETY'S  
 VIDYA PRABODHINI COLLEGE OF COMMERCE, EDUCATION,  
 COMPUTER AND MANAGEMENT, VIDYANAGAR, PARVARI, GOA.  
**F.Y.B.COM SEMESTER END EXAMINATION**  
**OCT 2018-19 (REGULAR / REPEAT)**

**SUB: Financial Accounting (CBCS)**

**SEMESTER: I**

**DURATION: 2 hrs**

**MAX. MARKS: 80 Marks**

- Instructions:**
- i. Question no.1 is Compulsory
  - ii. Answer any Three from remaining
  - iii. Each question carry 20 Marks.

**Q.1. (20)**

A Company purchased 3 years lease on 1<sup>st</sup> January 2015 for Rs.25,000/-. It is decided to provide for the replacement of the lease at the end of 3 years by setting up a depreciation fund. It is expected that investment will fetch interest at 5%. Sinking fund tables show that to provide the requisite sum of 5% at the end of 3 years, an investment of Rs.8,000/- is required every year. On 31<sup>st</sup> December 2017, the investment are sold for Rs. 17,000/- Show the lease Account, Depreciation fund account and Depreciation fund Investment Account.

**Q.2. (20)**

From the following particulars of Mr. Ashok who keeps his books on single entry system. Prepare the trading a/c profit and loss account for the year ending 31/03/2018 and the balance sheet as on that date.

Receipts and Payment Account for the year ending 31/03/2018

Receipts	Amount	Payment	Amount
To Balance b/d	2000	By creditors	40,000
To Sales	8000	By salary	4,000
To Debtors	60,000	By wages	11,000
		By purchases	3,000
		By drawings	11,000
		By bal c/d	1,000
	<u>70,000</u>		<u>70,000</u>

Further information

Particulars	1/4/2017	31/3/2018
Machinery	30,000	30,000
Furniture	6,000	6,000
Debtors	15,000	20,000
Creditors	4,000	5,000
Stock	12,000	18,000

**Q.3** (20)

On 1/1/2015 a company purchased a machinery for 3 years for Rs. 30,000/- It was decided to provide for its replacement by means of an insurance Policy for Rs. 30,000/- The annual premium was fixed at Rs. 9200/-

Prepare machinery a/c, depreciation fund account and depreciation insurance policy account for 3 years.

**Q.4.** (20)

The balance sheet of JK Tyres ltd. Showed the following items on 31<sup>st</sup> march, 2017.

8% preference share capital (Rs. 100/each)	12,00,000
Securities Premium	- 90,000
General Reserve A/c	8,00,000

The company redeemed the preferences shares at a premium of 10% on 1<sup>st</sup> April 2017. For redemption, 60,000/- equity shares of Rs.10/- each are issued at a premium of 10% show journal entries in the books of the company.

**Q.5** (20)

Vaidya Plastics Limited issued 20,000/- shares of Rs. 100/- each at the premium of Rs. 10/- per share. The share amount was payable as follows:

On Application	Rs. 20/-
On Allotment	Rs. 40/- (Including premium)
On First call	Rs. 25/-
On Final call	Rs. 25/-

Applications are received for 15,000/- shares and all these applicants were allotted shares. The directors made all the calls on shares. One share holder holding 1000 shares failed to make the payment on final call. His shares were forfeited by the directors and the same were re issued as fully paid at Rs. 70/- per share. Give Journal entries.

**Q.6.** (10)

Pepsi Ltd. desires to buy back 5,000/- equity shares of Rs.10/- each. It complies with all the conditions. For this purpose, the company decided to issue new preference shares of Rs. 10/- each of the equivalent amount.

Pass Journals entries in the books of Pepsi Ltd.

**(B)** Explain the conditions laid down by the Companies Act for buy back of shares. (10)