

FYBCOM Semester End Assessment (Regular/Repeat)

NOVEMBER 2022

Course Title: Financial Accounting

Course Code: UCOC102

Category: Core Course

Semester: I

Duration: 2 Hours

Max Marks: 80

Instructions:

- Question No. 1 is compulsory.
- Attempt ANY 3 questions from Question no. 2 to Question no. 6.
- Each question carries 20 marks.
- Mention working note required wherever necessary.

Q1. Nestle Ltd has purchased a machine for ₹ 5,00,000 on 1st January 2014. The life of the machine is estimated to be 5 years and at the end of 5th year the machinery will be replaced. For this purpose, an insurance policy is taken out, the annual premium being ₹ 93,750. Prepare Machinery A/c, Depreciation fund A/c and insurance policy A/c. (20 Marks)

Q2. The following records have been extracted from the books of M/s Mehta Ltd for the year ended 31st March 2021: (20 Marks)

Cash and Bank A/c

Receipts	₹	Payments	₹
To Balance b/d	60,000	By creditors	6,15,000
To bills receivables A/c	1,20,000	By rent and rates	20,000
To Rent received	8,000	By stationery	12,000
To cash sales	7,20,000	By bills payable	1,80,000
To debtors	7,10,000	By cash purchases	6,50,000
To Loan	80,000	By balance c/d	2,21,000
	16,98,000		16,98,000

Particulars	31-3-2020 ₹	31-3-2021 ₹
Building	4,20,000	4,20,000
Debtors	3,00,000	3,60,000
Bills Payable	24,000	72,000
Creditors	60,000	1,68,000
Bills receivable	42,000	48,000
Cash and Bank balance	1,20,000	1,80,000
Machinery	1,80,000	2,40,000
Stock	52,000	86,000

Additional Information:

- Rent paid in advance was ₹ 6,000
- Additional machinery worth 60,000 was purchased on 1st October 2020.

iii) Provide depreciation on Machinery at the rate of 10% p.a.

iv) Capital stood at ₹ 5,69,000

You are required to prepare Trading and Profit and Loss A/c for the year ended 31st march 2020 and balance sheet as on that date.

Q3. A) Explain the conditions laid down by the companies Act for buy-back of shares. (10 Marks)

B) Green Orient Power Ltd resolved to buyback 40,000 of its fully paid up equity shares of ₹ 10 each at 10% premium. For the purpose it issued 1,000 preference shares on ₹ 100 each at par the total sum being payable with application. The company has sufficient balance in general reserve to fulfill the legal requirements regarding buyback. Pass journal entries in the books of the company. (10 Marks)

Q4. Paytm Ltd issued 50000 shares of ₹ 100 each at a premium of ₹ 20 per share. The share amount was payable as under:

On application	₹ 10
On allotment	₹ 30 (Including Premium)
On First call	₹ 40
On second call	₹ 20
On final call	₹ 20

Applications were received for 40,000 shares and all the applicants were allotted shares. Second call money was not received on 2000 shares and final call money was not received on 1000 shares. Pass the necessary journal entries. (20 Marks)

Q5. Trident Ltd issued 10,000 preference shares at ₹ 100 each on 1st January 2011. The preference shares are redeemable at the option of company in whole or in part on or after 31st December 2016.

The following redemption were made out of the profits:

On 30th October 2013 ₹ 5,00,000

On 30th October 2015 ₹ 3,00,000

On 15th December 2016, the company issued equity shares of the face value 10000 equity shares of ₹ 10 per share at a premium of 5%.

On 31st December 2016 the balance of preference shares was redeemed.

Pass the necessary journal entries to record the above transactions. (20 Marks)

Q6. Ambuja Cement Ltd acquires a three-year lease on 1st January 2012 for Rs 30,000. The firm decides to establish a Depreciation Fund for its replacement. Interest is expected to be earned at 5%. The Sinking Fund table's show that to provide requisite um @ 5% and investment of ₹ 10,250 is required every year. On 31st December 2015 the investments are sold for ₹ 28,949.

Show lease A/c, Sinking Fund A/c and Sinking Fund Investment A/c. (20 Marks)