

**GoaVidyaprasarakMandal's**  
**Gopal Govind Poy Raiturcar College Of Commerce & Economics**  
**Ponda - Goa**  
**B.Com(Semester I) EXAMINATION, October 2016**  
**ACCOUNTING ( Commerce Paper-I)**  
**FOUNDATION COURSE**

**Time: 2 hours**

**Marks: 80**

Instructions : 1) Question No. 1 is compulsory.  
2) Answer any three questions from Q.No.2 to Q.No.6.  
3) All working notes shall carry marks.

Q.1) (20)

M/s Extractors ltd took lease of a mine from M/s Silsila ltd. at an annual dead rent of ` 15,000 subject to a royalty payable at ` 20 per ton extracted. Short Workings are recoupable immediately in the next two years. There is a provision that if in any year, normal production was not attained due to strike, the minimum rent was to be reduced in proportion .Details of the extraction are as follows:

<u>Year</u>	<u>extraction in tones</u>
-------------	----------------------------

2011	500tns
------	--------

2012	700 tns
------	---------

2013	1,000 tns
------	-----------

2014	400 tns (Strike for six months)
------	---------------------------------

You are required to prepare 1. Analysis table 2. Royalty A/c

3. Shortworking A/c 4. Landlord's A/c 5. P&L A/c

Q.2) (20)

Sunita Pvt ltd. Registered with a nominal share capital of 30000 equity shares of ` 25 each; offered for public subscription 20000shares payable as follows :

On application ` 10; on allotment ` 12( includes premium `5) ; on final call ` 8.

Applications are received for 25,000 shares. The directors decided that ;

To the applicants for 3000 shares - Nil

To the applicants for 22000 shares- 20000 shares ( pro-rata)

Excess money on application to be adjusted towards allotment. All the calls were made and all the money received except Ms. Nayana holding 1000 shares failed to pay the allotment money and also the call money. These shares were forfeited and later 700 shares were reissued at ` 22 per share.

You are required to pass the necessary journal entries in the books of Sunita Pvt Ltd. And also show the necessary entries in the Balance sheet to be prepared as per revised schedule VI.

Q.3) (20)

Mahesh purchased a machine on hire purchase system on 1<sup>st</sup> January 2015 from Subhash. He paid ` 2,40,000 on signing the agreement, ` 2,53,000 at the end of the first year; ` 3,05,000 at the end of the second year and ` 3,30,000 at the end of the third year. Interest @ 10% p.a. on cash price of the machine is included in the above installments. Mahesh charges depreciation @ 15% p.a.on diminishing balance method. You are required to prepare

I. In the books of Mahesh

1. Analysis of payment
2. Subhash's A/c
3. Interest A/c
4. Asset A/c

II. In the books of Subhash 1. Mahesh's A/c

Q.4) Write short notes on : (20)

1. Sources of redemption
2. Book building process
3. Features of hire purchase
4. Recoupment of shortworkings

Q.5) (20)

The following items from the Balance sheet of Kaustubh Ltd. As on 31<sup>st</sup> December 2015 are given :

Liabilities	Amount	Assets	Amount
<b>Share Capital</b>		Fixed Assets	1,30,000
1500 Redeemable		Current Assets	90,000
Preference shares of ` 100 each fully paid	1,50,000		
27000 equity shares of ` 10 each fully paid	2,70,000		
<b>Reserves and surplus</b>			
Securities Premium	30,000		
General Reserve	60,000		
P&L A/c	75,000		

The company decided to redeem its preference shares at a premium of 5% during the year. A fresh issue of minimum number of equity shares of ` 10 each was to be made at ` 12 per share. Some investments were sold realizing ` 60,000. Calculate the minimum number of fresh equity shares to be issued if only 1/3<sup>rd</sup> of the divisible profits can be utilized for redemption, Give the journal entries and draw the balance sheet after redemption.

Q.6A) (10)

Sanganak purchased a Machinery from Vayugati Ltd on installment system on 1<sup>st</sup> January 2010. The cash price of the machine is ` 14,900 with a half yearly installment of ` 4,000 to be paid on June 30<sup>th</sup> and December 31<sup>st</sup>. Rate of interest was 6% p.a. Sanganak wrote off depreciation @ 10% on SLM. After paying three installments Sanganak could not pay the last installment and so Vayugati took possession of the machinery. Prepare the Hire vendor's A/c and Machinery A/c for the period.

Q.6B) Pass journal entries in the following cases: (10)

1. A share of ` 10 each issued at 10% premium is forfeited for nonpayment of 1<sup>st</sup> and final call of ` 3 per share
2. 500 shares of ` 20 each issued at par are forfeited for nonpayment of allotment and final call money of ` 9 and ` 5 respectively.
3. A share of ` 50 issued at 10% discount is forfeited for nonpayment of final call of ` 10 per share.
4. A share of ` 100 is forfeited for nonpayment of allotment money ` 50 (includes premium ` 20) first call ` 20 and final call ` 20.
5. A share of ` 50 each issued at ` 60 is forfeited for nonpayment of second and final call of ` 15 per share.

XXXXXXXXXXXXXXXXXXXX