

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. (SEMESTER-III) SUPPLEMENTARY EXAMINATION
MAY/JUNE 2018
ACCOUNTING
(APPLIED COMPONENT)

Duration: 2 Hours

Marks: 80

INSTRUCTIONS:

1. Q. No. 1 is compulsory.
2. Answer any THREE questions from Q. No.2 to Q. No. 6.
3. Figures to the right indicate full marks.
4. Working notes should form a part of the answer wherever necessary.

(20)

Q1. Mr. Kishor purchased on 1 April 2016, ` 50000 (cost ` 49000), 15% Government bonds on which interest is payable half yearly on 1 January and 1 July every year. The following purchases and sales were made out of these investments during the accounting year ended 31 March 2017.

Date	Face Value (`)	Cost (`)	Other details
1 August 2016	50000	50500	Cum interest purchases
1 September 2016	25000	21000	Ex interest sales
1 November 2016	10000	8000	Cum interest sales
1 January 2017	15000	15300	Ex interest purchases
1 March 2017	10000	9200	Cum interest purchases

Brokerage at 1% is to be calculated on all purchases and sales.

Prepare investment account of Mr Kishor using Average Method for the year ended 31 March 2017.

(20)

Q2. Mario Ltd. made a public issue of 1000000 equity shares of ` 100 each at a premium of ` 50 per share. The entire amount was payable on application. The entire issue was underwritten by three parties Bhuvan, Mohan and Raj in the proportion of 50%, 25% and 25% respectively. Underwriting commission at 2.5% was payable on amount underwritten. Bhuvan, Mohan and Raj had also agreed on firm underwriting of 15000, 10000 and 10000 shares respectively. The total subscription, excluding firm underwriting but including marked applications were 900000 shares. Marked applications received were: Bhuvan: 20000, Mohan: 70000 and Raj: 10000. Ascertain the liabilities of underwriters and pass necessary journal entries for the above transactions.

(20)

Q3. Mr. Gopal filed his petition for insolvency on 30 September 2017 and his Statement of Affairs was composed of the following figures:

Particulars	`
Creditors	100000
Loan a/c secured by lien on stock	50000
Bills payable	25000
Liability on bills discounted (estimated to rank ` 2000)	4500
Mortgage on machinery	100000
Preferential creditors	2000

Shares (estimated to realize ` 20000)	25000
Stock (estimated to realize ` 35000)	40000
Cash at bank	5000
Building (estimated to realize ` 91000)	100000
Machinery (estimated to realize ` 22000)	40000
Furniture (estimated to realize ` 4000)	8000
Debtors: Good	10000
Bad	10000

On 1 October, five years ago, he had capital of ` 22000. Profits were made totaling ` 29000 in the first three years and losses totaling ` 30000 in the two years after allowing ` 2000 per annum interest on capital. Drawings amounted to ` 70000. Prepare Statement of Affairs and Deficiency account of Mr. Gopal.

(20)

Q4. Following is the trial balance of Hotel Vivatel as on 30 September 2017.

Particulars	`	`
Capital		300000
10% loan a/c		100000
Suppliers a/c		100000
Bills payable		100000
Collection from visitors		600000
Kitchen equipment	200000	
Land and building	350000	
Furniture	80000	
Stock as on 1 October 2016	44000	
Salaries	100000	
Printing and stationery	12000	
Purchase of provisions	240000	
Wages	56000	
Cash in hand	6000	
Interest on loan	6000	
Rent, rates & taxes	3000	
Bad debts	4000	
General expenses	7000	
Visitors ledger	80000	
Cash at bank	12000	
TOTAL	1200000	1200000

Additional information:

1. Stock as on 1 October 2017 was ` 40000
2. Salaries prepaid ` 2000
3. Write off ` 2000 as bad debts
4. Unrecorded sales amounted to ` 10000
5. Unrecorded purchases ` 18000
6. Cost of staff meals ` 1000

Prepare Trading and Profit and Loss account for the year ended 30 September 2017 and Balance sheet as on that date.

Q5. From the following trial balance of Mr. X who was declared insolvent on 1 January 2017. Prepare a Statement of affairs and Deficiency account.

Particulars	₹	particulars	₹
Cash	2300	Creditors (unsecured)	180000
Stock	6660	Secured creditors	25000
Debtors	130000	Preferential claims for rent, rates & taxes	1900
Furniture	2820	Capital	13500
Investment in shares	5000	Profit (2015, 2016)	55540
Value of securities held by creditors	35000		
Loss (2017)	25000		
Drawings	69160		
TOTAL	275940	TOTAL	275940

Q6. During the year ended 31 March 2017, the following transactions were performed by Sesa Ltd.

- i. July 1, 2016, purchased 3000 equity shares of ₹10 each in Punta Ltd for ₹40000.
- ii. August 1, 2016, Punta Ltd made bonus issue of six equity shares for every three held.
- iii. October 1, 2016, Punta Ltd made a rights issue @ one share for every six held at the rate of ₹30 per share. Sesa Ltd purchased 500 right shares and sold the balance rights for ₹1000.
- iv. January 31, 2017, received dividend @ 20% on shares for the year ended 31 December 2016. No dividend received on bonus and right shares.
- v. March 1, 2017, sold 1000 shares for ₹50 each

Prepare investment account in the books of Sesa Ltd for the year ended 31 March 2017.

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