

Goa Vidyaprasarak Mandal's  
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS  
PONDA-GOA

B.COM. (SEMESTER-III) (REPEAT) EXAMINATION, OCTOBER 2018  
ACCOUNTING (Old Course)  
(APPLIED COMPONENT)

Duration: 2 Hours

Marks: 80

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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. ABN Ltd. invited applications for 2,00,000 equity shares of ₹10 each at a premium of ₹5 per share. The entire issue was underwritten by underwriters N, S, K and M to the extent of 30%, 30%, 20%, 20% respectively with a provision of firm underwriting of 6000, 4000, 2000 and 2000 shares respectively. The underwriters were entitled to a commission of 2%. The company received application for 140000 shares from public excluding firm underwriting of which applications for 38000, 20000, 42000 and 16000 were marked in favour of N, S, K, M respectively. Ascertain the liabilities of underwriters and pass necessary journal entries for the above transactions.

(20)

Q2. Mr. Kumar finds himself insolvent on 31<sup>st</sup> December 2017. From the following information prepare his Statement of Affairs and Deficiency account.

1. Sundry debtors: ₹10000, doubtful ₹15250 (estimated to realize ₹10000)
2. Shares in Nestle ₹45000 (estimated to realize ₹37500)
3. Creditors on open account ₹48250
4. Creditors holding first charge on shares in Nestle ₹17500
5. Creditors holding second charge on shares in nestle ₹20000 (to the extent of ₹15000)
6. Bills payable ₹4000
7. Creditors for salaries, wages etc ₹2000 of which ₹1250 are preferential
8. Fixtures and fittings ₹4500 (estimated to realize ₹3250)
9. Cash in hand ₹80
10. Stock ₹16420 (estimated to realize ₹14000)
11. Bills receivable ₹6000 (estimated to realize ₹4500)
12. Speculation loss ₹10000

Mr. Kumar started business on 1<sup>st</sup> January 2015 with capital ₹40000. He earned a profit of ₹7500 in the first year, loss of ₹10250 in the second year and ₹14150 in the third year, after allowing ₹1800 as interest on capital per annum. His total drawings amounted to ₹13000. He owns household furniture whose estimated value is ₹3000 and there is private creditors of ₹5000.

(20)

Q3. Following is the trial balance of Hotel Samman as on 30 September 2018

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 2017	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 2018 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 Profit and loss A/c and Balance sheet of Hotel Samman

(20)

Q4. Mr Bhavaniprasad had on 1<sup>st</sup> April 2017 ₹50,000, cost ₹49000 10% government bonds on which interest is payable half yearly on 1<sup>st</sup> January and 1<sup>st</sup> July. The following purchase and sales were made out of these investments during the accounting year ended 31<sup>st</sup> March 2018.

1. Purchases on 1<sup>st</sup> August 2017 face value ₹10,000 @ ₹10,200 cum interest.

2. Sales on 1<sup>st</sup> November 2017 `20,000 @ `21,000 ex interest
3. Sale on 15<sup>th</sup> January 2018 face value `15000 @ `15300 ex-interest
4. Purchases on 1<sup>st</sup> March 2017 face value `10000 @ `9200 cum interest.

Write up Investment account for Mr Bhavaniprasad for year ended 31<sup>st</sup> March 2018 using FIFO method.

(20)

Q5. From the following trial balance of Mr Kal who was declared insolvent on 1 January 2018. 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 (2016, 2017)	55540
Value of securities held by creditors	35000		
Loss (2018)	25000		
Drawings	69160		
TOTAL	275940	TOTAL	275940

(20)

Q6. During the year ended 31 March 2018, the following transactions were performed by X Ltd.

- i. July 1, 2017, purchased 3000 equity shares of `10 each in Prune Ltd for `40000
- ii. August 1, 2017, Prune Ltd made bonus issue of six equity shares for every three held.
- iii. October 1, 2017, Prune Ltd made a rights issue @ one share for every 6 held at the rate of `30 per share. X Ltd purchased 500 right shares and sold the balance rights for `1000
- iv. January 31, 2018, received dividend @ 20% on shares for the year ended 31 December 2017. No dividend received on bonus and right shares.
- v. March 1, 2018, sold 1000 shares for `50 each

Prepare Investment account in the books of X Ltd for the year ended 31 March 2018.

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