

**Goa Vidyaprasarak Mandal's  
Gopal Govind Poy Raiturcar College of Commerce and Economics,  
Ponda – Goa.**

B.COM. SEMESTER IV EXAMINATION – April 2015  
**FINANCIAL ACCOUNTING – Paper- IV**

Time : 2 hours

Maximum marks : 80

- Instructions
1. Question no. 1 is compulsory.
  2. Answer any 3 questions from Q2 – Q6 .
  3. Figures to the right indicate maximum marks.
  4. Working notes should form part of your answer.

Q.1.The following is the trial balance of Global Solutions Ltd. as on 31<sup>st</sup> march 2015. The authorized share capital is 30,000 equity shares of ` 100 each. (20)

Particulars	Debit	Credit
Equity share capital		10,00,000
8% debentures		1,00,000
Calls-in-arrears	64,000	
9% investments	1,00,000	
Building	2,50,000	
Plant and machinery	2,50,000	
Carriage inwards	23,000	
Salaries and wages	2,60,000	
Interest on investments		6,000
Purchases	5,32,000	
Sales		9,00,000
Returns	17,000	34,000
Debenture interest	4,000	
Interim dividend paid	19,000	
Bank charges	1,000	
Rent	15,000	
Bills receivable	12,000	
Debtors/creditors	4,28,000	1,40,000
Stock as on 1 <sup>st</sup> April 2014	2,50,000	
Insurance	4,000	
Bank balance	1,30,000	
Cash in hand	25,000	
Securities premium		64,000
General reserve		1,40,000
	<b><u>23,84,000</u></b>	<b><u>23,84,000</u></b>

Additional information :

1. The value of stock as on 31<sup>st</sup> march 2015 was ` 3,00,000.
2. Charge depreciation @ 15% on plant and machinery and 10% on building.
3. Provide for outstanding Salaries and wages ` 37,000.
4. Debenture interest and interest on investments are due.
5. Transfer ` 5,000 to the general reserve.
6. The profit after tax is amounting to ` 33,500, after all the above adjustments.

Prepare the **BALANCE SHEET** of the company as on 31<sup>st</sup> march 2015, as per the Revised Schedule VI of the Companies Act.

Q.2. The following are the balances of Cadila Hospitals Ltd. as on 31<sup>st</sup> march : (20)

Equity and liabilities	31.3.14	31.3.15	Assets	31.3.14	31.3.15
Equity share capital	12,00,000	15,00,000	Buildings	10,00,000	9,60,000
14% debentures	6,00,000	4,00,000	Machinery	5,00,000	7,20,000
General reserve	5,00,000	5,50,000	Long term		
Profit & loss A/c	1,00,000	1,48,500	investments	3,00,000	4,50,000
Creditors	4,90,000	5,60,000	Inventories	4,00,000	4,70,000
Provision for tax	1,00,000	1,30,000	Debtors	6,70,000	5,30,000
Proposed dividend	1,18,800	1,81,500	Cash at bank	2,18,800	3,30,000
			Prepaid		
			expenses	20,000	10,000
	<b><u>31,08,800</u></b>	<b><u>34,70,000</u></b>		<b><u>31,08,800</u></b>	<b><u>34,70,000</u></b>

The following additional information is given to you:

1. Debentures were redeemed at a premium of 10%.
2. Investments costing Rs. 30,000 were sold for ` 42,000 during the year.
3. The proposed dividend for the year ended 31.3.14 was paid during the year ended 31.3.15.

Prepare :

1. A funds flow statement for the year ended 31.3.15.
2. A statement showing changes in the working capital.

Q.3. Below mentioned are the balances of Epson India Ltd. as on 31<sup>st</sup> march 2015. (20)

Credit balances	`	Debit balances	`
Equity share capital	2,80,000	Goodwill	1,60,000
12% preference share capital	1,50,000	Land and building	2,00,000
8% debentures	1,00,000	Plant and equipments	95,000
7% mortgage loan(secured)	50,000	Long term investments	85,000
General reserve	1,50,000	Prepaid expenses	15,000
Profit & loss A/c	40,000	Bills receivables	28,000
Sundry creditors	19,000	Inventories	50,000
Outstanding salaries	20,000	Cash in hand and at bank	2,00,000
Provision for taxation	24,000		
	<b><u>8,33,000</u></b>		<b><u>8,33,000</u></b>

From the above balances, calculate the following ratios and comment upon them (detailed workings should form part of your answer) :

1. Current ratio
2. Liquid ratio
3. Proprietary ratio
4. Debt equity ratio
5. Stock working capital ratio
6. Capital gearing ratio.

Q.4. From the following balances of Godrej foods Ltd., prepare a **Cash Flow Statement (indirect method)** for the year ended 31<sup>st</sup> march 2015. (20)

Equity and liabilities	31.3.2014	31.3.2015	Assets	31.3.2014	31.3.2015
Equity share capital	3,00,000	4,50,000	Machinery	2,00,000	2,21,000
14% preference share capital	1,00,000	Nil	Furniture and fixtures	80,000	72,000
General reserve	1,00,000	1,30,000	Stock	2,72,000	3,50,000
Securities premium A/c	30,000	50,000	Debtors	80,000	79,000
Profit & loss a/c	50,000	30,000	Cash in hand	20,000	15,000
Provision for taxation	60,000	77,500	Cash at bank	1,05,000	1,15,000
Proposed dividend	30,000	45,000	Preliminary expenses	20,000	15,000
Sundry creditors	1,07,000	84,500			
	<b><u>7,77,000</u></b>	<b><u>8,67,000</u></b>		<b><u>7,77,000</u></b>	<b><u>8,67,000</u></b>

Additional information :

1. A machine having a book value of ` 40,000 was sold for ` 55,000.
2. The depreciation charged during the year on machinery was ` 39,000.
3. Income tax paid during the year was ` 58,000.

Q. 5. Munshi Ltd. has given the below mentioned figures as on 31<sup>st</sup> march 2015.

(20)

Particulars	`	Particulars	`
Sales	6,00,000	Equity Share capital	
Purchases	3,80,000	(5,000 shares of 100	
Opening stock	90,000	each)	5,00,000
wages	75,000	Reserves and surplus	1,30,000
Administrative expenses	28,000	8% debentures	1,00,000
selling expenses	10,000	Current liabilities	3,50,000
Debenture interest	8,000	-----	-----
Income tax provision	5,000	Fixed assets	4,00,000
		Current assets	
		(including closing	
		stock 120,000)	3,25,000

The company desires you to compute the below stated ratios for financial analysis (detailed workings should form part of your answer):

1. Gross Profit Ratio
2. Operating Ratio
3. Stock Turnover Ratio
4. Return On Capital Employed
5. Return On Proprietors' Funds
6. Earnings Per Share (EPS).

Q.6. Prepare a **common-size profit and loss statement** (with notes) of Dion Global Ltd. for the year ended 31<sup>st</sup> march 2015, from the below mentioned figures. (20)

Particulars	Debit	Credit
Share capital		8,00,000
Sales		10,50,000
Purchases	3,25,000	
Returns	50,000	25,000
Salaries and wages	1,08,000	
Equipments	2,20,000	
Office building	8,00,000	
Debtors/creditors	83,000	86,500
Opening stock	2,13,700	
Freight	2,300	
Director's remuneration	89,000	
Printing and stationery	10,000	
Dividend received		9,500
9% long term loan		3,00,000

Contd..... ( page 4 of 5 pages )		
.....contd.		
Goodwill	20,000	
Interest on term loan	20,000	
Cash and bank balance	2,74,200	
Staff welfare expenses	55,000	
Advertisement expenses	3,800	
Discounts	2,000	7,500
Bad debts	2,500	
	<b><u>22,78,500</u></b>	<b><u>22,78,500</u></b>

Additional information :

1. Depreciation to be provided on equipments @ 5% and office building @ 10% p.a.
2. The closing stock as on 31<sup>st</sup> march 2015 stood at ` 2,50,000.
3. Provision for taxation to be made to the extent of ` 15,000.
4. Make a provision for doubtful debts @ 2%.
5. Interest on term loan was due but not paid.

(Page 5 of 5 pages)

-----XXXXXXXXXXXXXXXXXX-----