

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA - GOA
B.COM. (SEMESTER – I) CHOICE BASED CREDIT SYSTEM
SUPPLEMENTARY EXAMINATION, MAY/JUNE 2019
FINANCIAL ACCOUNTING

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.No.1) (20)
 Miss Raksha purchased a machinery on 01-01-2013 for ₹ 5,60,000 with an estimated scrap value of ₹ 30,000 and with a life of four years at the end of which it will be replaced. For the purpose of replacement, Miss Raksha took an insurance policy with an annual premium of ₹ 1,28,000. At the end of 4th year the machinery was sold at a scrap value of ₹ 35,000. You are required to prepare 1) Machinery A/c; 2) Depreciation Fund A/c; and 3) Depreciation insurance Policy A/c.

Q.No.2) (20)
 Meenaxi Ltd was registered with a nominal capital of 400 equity shares of ₹ 100 each. It issued 300 shares to the public for subscription at a premium of ₹30 per share payable as under:
 On Application – ₹ 30 per share
 On Allotment – ₹ 60 per share (including premium)
 On first and final call – ₹ 40 per share.
 Applications were received for 400 shares .Applications for 60 shares were rejected and refunded. The remaining applicants were given 300 shares on pro-rata. A shareholder , who held 20 shares failed to pay Allotment and final call money. These shares were forfeited and 10 shares were reissued at ₹ 90 per share.
 You are required to 1) pass necessary journal entries in the books of Meenaxi ltd and 2) prepare an abstract of Balance sheet

Q.No.3) (20)
 Mr. RG keeps his books on single entry system. He provided you with following information and requires you to Prepare Trading and Profit and loss Account for the year ended 31-03-2016 and balance sheet on that date.

Particulars	Amount(₹)
Balance of cash at bank as on 1-4-2015	8,700
Cash received from Debtors	76,800
Cash received on bills receivable	24,000
Commission received	3,000
Cash sales	17,200
Payment to creditors	54,200
Drawings	15,040
Payment towards bills payable	18,600
Wages and salaries	37,000
Rent rates and taxes	11,560

Particular of his assets and liabilities are as follows:

Particulars	As on 31-03-2015	As on 31-03-2016
Stock	37,400	46,800
Debtors	24,000	28,000
Creditors	18,000	3,000
Bills receivable	8,000	10,000
Bills payable	2,000	400
Furniture	1,200	1,200
Building	24,000	24,000

Additional information:

1. Charge 5 % depreciation on Building and Furniture.
2. Outstanding wages ₹ 3,000.

Q.No.4)

(20)

Antruz Ltd. provides you with the following information.

7 % preference share capital (partly paid up) ₹ 3,00,000

9 % preference share capital (fully paid up) ₹ 4,00,000

Equity share capital (1000 shares of ₹ 100 each) ₹ 1,00,000

Dividend equalization reserve ₹ 1,00,000

Reserve fund ₹ 2,50,000

Creditors ₹ 90,000

Bills payable ₹ 10,000

Land and Building ₹ 9,75,000

Bank ₹ 2,75,000

The company decides to redeem the preference shares at a premium of 3 %. For the purpose the company decides to use the divisible profits to the maximum extent and then issue the minimum number of equity shares at par. The company also sold a part of land for ₹ 2,00,000 (cost ₹ 1,50,000) and issued 6% 3000 debentures of ₹ 100 each at a premium of 2 %.

Pass the necessary journal entries and prepare the balance sheet after redemption of preference shares.

Q.No.5A)

(10)

Sujata Ltd. Started a business on 1-1-2014 on which date they purchased a machinery at ₹ 6,50,000. Another machinery on 1-10- 2014 for ₹ 4,00,000. The company followed Written Down Value method of charging depreciation @ 15 % p.a. However the company decided to change the method to straight line method @ 12% p.a. in the year 2017. Prepare Machinery A/c for the years ending 31st December 2014, 2015, 2016, 2017 and show the effect of change in method in the year 2017

Q.No.5B)

(10)

Sun grace ltd decided to buy 5000 of its fully paid equity shares of ₹ 100 each at ₹120 per share. For the purpose it issued 1000 13 % preference shares at ₹ 100 each at par the total sum payable with application. The company uses ₹ 2,10,000 of its balance from securities premium account apart from its adequate balance from general reserve to fulfill the legal requirements regarding buy back.

Pass necessary journal entries for Buy back.

QNo.6) Write short notes on

(4 x 5 =20)

- a. Book building process
- b. Features of single entry system
- c. Depletion method
- d. Buy back of shares