

Pg 1 of 3
Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
PONDA – GOA
B.COM. (SEMESTER – IV) SUPPLEMENTARY EXAMINATION, MAY/JUNE 2018
FINANCIAL ACCOUNTING – Paper- IV

Time : 2 hours

Marks : 80

- Instructions: 1. Question no. 1 is compulsory.
 2. Answer any 3 questions from Q2 – Q6 .
 3. Working notes should form part of your answer.

Q.1. Below is the profit and loss statement of Air case Ltd. For the year ended 31st March 2018. (20)

Particulars		Particulars	
To Opening Stock	2,20,000	By Sales	8,50,000
To Purchases 5,00,000		By Closing Stock	2,40,000
Less : Returns <u>40,000</u>	4,60,000		
To Direct wages	1,30,000		
To Factory overheads	65,000		
To Gross Profit c/d	2,15,000		
	<u>10,90,000</u>		<u>10,90,000</u>
To Selling and distribution expenses	45,000	By Gross Profit b/d	2,15,000
To Administration expenses	55,000	By Interest income	37,350
To Depreciation on plant	28,000	By Profit on sale of furniture	1,650
To Interest on debentures	5,000		
To loss on sale of furniture	1,500		
To Provision for taxation	35,850		
To Net profit c/d	83,650		
	<u>2,54,000</u>		<u>2,54,000</u>

Calculate the following ratios (working notes shall form part of your answer):

1. Gross profit ratio
2. Stock turnover ratio
3. Operating ratio
4. Net operating profit ratio
5. Net profit ratio

Q. 2. The following are the balances of Click Camara Ltd. as on 31st March : (20)

Equity And Liabilities	31.3.17	31.3.18	Assets	31.3.17	31.3.18
Equity Share Capital	5,00,000	7,50,000	Goodwill	1,90,000	1,81,000
Securities Premium	Nil	25,000	Plant & Machinery	6,00,450	7,80,650
9% Preference Shares	5,75,000	3,50,000	Long Term Investments	3,22,500	4,50,000
General Reserve	2,00,000	2,30,650	Stock-In-Trade	2,43,000	2,03,950
Profit & Loss A/C	1,20,000	1,48,400	Debtors	2,70,000	1,39,150
Creditors	1,76,170	2,68,000	Cash at Bank	1,18,800	2,30,640
Provision For Tax	1,00,000	1,32,000	Prepaid Expenses	25,220	10,160
Proposed Dividend	98,800	91,500			
	<u>17,69,970</u>	<u>19,95,550</u>		<u>17,69,970</u>	<u>19,95,550</u>

The following additional information is given to you:

1. Investments costing ` 40,000 were sold for ` 38,000 during the year.
2. Income tax provided during the year was ` 1,15,000.
3. Depreciation shall be charged to the extent of ` 60,000 on Plant and Machinery.

Prepare :

1. A funds flow statement for the year ended 31.3.18.
2. A statement showing changes in the working capital.

Q. 3. Following are the balances of Mega Creations Ltd. for the year ended 31st March 2018.

(20)

Equity and liabilities	`	Assets	`
Equity share capital	6,00,000	Computers	1,85,000
7 % preference shares	3,85,000	Land and building	5,98,700
9 % debentures	1,15,000	Furniture	74,000
Capital reserve	25,590	Investments(long term)	2,40,000
Reserves and Surplus	65,750	Debtors	72,000
Creditors	25,060	Bills receivable	38,000
Bills payable	9,220	Inventory	82,500
Bank overdraft	23,010	Cash and bank	25,650
Income tax provision	73,000	Prepaid expenses	5,780
	<u>13,21,630</u>		<u>13,21,630</u>

Calculate the following balance sheet ratios from the above balances (working notes shall form part of your answer):

1. Current ratio
2. Liquid ratio
3. Proprietary ratio
4. Capital gearing ratio
5. Debt equity ratio

Q.4. Following are the balances of Digital Perfections Ltd.as on 31st March 2018. (20)

Debit Balances	`	Credit Balances	`
Opening Stock	68,000	Equity share capital (shares of ` 10 each)	4,50,000
Furniture and Fixtures	80,000	11% debentures	1,50,000
Discount Allowed	4,000	General reserve	44,600
Loans to Staff	8,000	Bills payable	12,500
8% investments in securities	62,000	Creditors	85,600
Bad Debts	3,500	Sales	4,26,800
Commission	12,000	Rent received	14,600
Purchases	2,31,900	Transfer fees received	1,000
Plant and Machinery	1,86,000	Profit&loss appropriation a/c (1.4.17)	103,900
Rent and Insurance	2,500		
Bank balances	74,500		
Cash in hand	22,400		
Preliminary expenses	1,000		
Wages	90,000		
Freehold land	2,63,000		
Loose tools	24,500		
Goodwill	64,000		
Debtors	68,150		
Bills receivable	15,300		
Debenture interest	8,250		
Total	<u>12,89,000</u>		<u>12,89,000</u>

Additional information :

1. The closing stock as on 31st March 2018 is ` 79,400.
2. Interest due on debentures and accrued on investments should be provided for.
3. It is proposed to transfer `4,000 to the general reserve.
4. Depreciation @ 10 % p.a. shall be provided on plant and machinery and @ 5% on furniture and fixtures.
5. The directors propose a dividend on equity share capital to the extent of `42,000.
6. Provision for income tax shall be made to the extent of ` 15,000.
7. The profit before tax after considering the adjustments shall be ` 75,760.

Prepare a **BALANCE SHEET** as per schedule VI of the Companies Act, 2013.

Q.5. From the following balances of Piagio Baggage Ltd., prepare a **Cash Flow Statement** for the year ended 31st March 2018. (20)

Liabilities	31.3.17	31.3.18	Assets	31.3.17	31.3.18
Equity share capital	2,00,000	2,50,000	Land and Buildings	1,90,000	2,20,000
9% preference share capital	90,000	60,000	Plant And Machinery	1,20,000	1,35,000
General reserve	30,000	40,000	Stock	50,000	60,000
Profit and loss a/c	43,500	53,500	Debtors	35,000	40,000
Outstanding expenses	9,000	4,000	Prepaid expenses	10,000	8,000
Creditors	28,000	30,000	Bank balances	32,000	10,000
Provision for tax	40,000	38,000	Preliminary expenses	3,500	2,500
	<u>4,40,500</u>	<u>4,75,500</u>		<u>4,40,500</u>	<u>4,75,500</u>

Additional information:

1. The depreciation on plant and machinery was ` 24,000.
2. Interim dividend paid during the year amounted to ` 8,000.
3. Income tax to the extent of `35,000 was paid during the year.

Q.6. Rearrange the following figures of Sunflower Ltd. into a Common Size Balance Sheet .

(20)

Equity And Liabilities	`	Assets	`
Equity Share Capital	7,50,000	Copyrights	1,92,300
9 % Preference Shares	3,20,000	Electrical Installations	1,11,900
7 % Bank Loan	3,60,000	Land And Building	8,40,000
Profit And Loss A/C	73,900	Investments(Long Term)	1,85,000
Capital Redemption Reserve	90,000	Debtors	71,400
Creditors	47,300	Closing Stock	1,30,000
Outstanding rent	35,800	Cash And Bank Balances	1,56,200
Income Tax Provision	23,000	Prepaid Expenses	13,200
	<u>17,00,000</u>		<u>17,00,000</u>