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Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF
COMMERCE AND ECONOMICS PONDA – GOA
B.COM. CBCS (SEMESTER VI) EXAMINATION, JUNE 2022
ACCOUNTING – II (DSE 7)

Duration: 2 Hours

Marks: 80

NOTE: 1) *QUESTION NO. 1 IS COMPULSORY*
2) *ATTEMPT ANY THREE QUESTIONS FROM Q.2 TO Q.6*

Q.1) B Ltd. On 01/01/2018 10000 6% debentures of ₹100/- each at par repayable at the end of 4 years (at par). It was decided to create a sinking Fund for the redemption of debentures, Investments are expected to earn interest at 5% p.a.

Reference to the sinking Fund tables show that ₹0.232012 invested annually @5% compound interest amounts to ₹1/- at the end of 4 years. Investments were made in multiples of ₹100/- only, on 31/12/2021 investments were sold for ₹7,80,000/- and the debentures were redeemed. Give journal entries and show ledger accounts (except debentures interest). Assume the accounts were closed on 31st December. **(20 Marks)**

Q.2) A Ltd. Issued 6000, 11% debentures of ₹100/- each at par on 01/01/2018. The terms of issue of debentures provided that the company provide a sinking Fund for redemption of debentures on 31/12/2021. The company decided to take out an insurance policy to provide the necessary cash to facilitate redemption of debentures. The annual insurance premium payable works out to ₹1,38,000/-. The debentures were duly redeemed out of the proceeds of the policy. Prepare necessary ledger accounts. **(20 Marks)**

Q.3) Miss. A entered into following transaction of purchase and sales of 11% debentures of ₹100/- each of M Ltd. Interest is payable on 30th June and 31st December every year.

Transaction for year ended 31/03.2022 are as under:

Date	No. of debentures	Terms
01/04/2021	800	Opening balance at cost of ₹76,000/-
01/06/2021	300	Sold @ ₹105/- each cum-interest
01/09/2021	700	Purchased @ ₹98/- each ex-interest
01/12/2021	400	Purchased @ ₹108/- each cum-interest
01/02/2022	900	Sold @ ₹97/- each ex-interest

Prepare investment account of 11% debentures in the books of Miss. A for the year ended 31/03/2022. **(20**

Marks)

Q.4) On 01/04/2021 5000 equity shares of ₹10/- each of Apollo. Ltd. were held as investment by Mrs. Meera at a cost of ₹55,000/-.

On 30/04/2021 she purchased 1000 of such equity shares @ ₹12/- per share.

On 02/06/2021 the company declared bonus shares in the ratio of one share for every two shares held.

On 30/06/2021 the company made rights issue in the ratio of one share for every two shares held @ ₹13/- per share. Mrs Meera subscribed to 50% of the shares and sold the balance of her rights @ ₹2/- per share.

On 01/12/2021 1000 of the shares were sold by Mrs. Meera @ ₹20/- per share.

Prepare Investment in shares of Apollo Ltd. A/c in the books of Mrs. Meera for the year ended 31/03/2022 (20 Marks)

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Q.5) E Ltd. gave notice of its intention to redeem its outstanding ₹6,00,000/- 8% debentures @ ₹103/- and offered the holders the following options:

- (i) 10% Preference shares of ₹10/- each @ ₹15/- per share
- (ii) 9% debentures @ ₹98/- per debenture.
- (iii) To have their holdings redeemed for cash.

The debenture holders exercised their options as under:

- (i) Holders of ₹1,80,000/- debentures accepted proposal 1.
- (ii) Holders of ₹2,40,100/- debentures accepted proposal 2.
- (iii) The remaining debentures accepted proposal 3.

Pass necessary journal entries in the books of E Ltd.

(20 Marks)

Q.6) Mr. P.K. Sinha is a solicitor. From the following trial balance prepare the Profit and loss Account for the year ended 31/08/2022 and Balance sheet as on that date. He maintains the accounts on accrual basis.

Trial balance as on 31/03/2022:

Particulars	Debit	Credit
Capital Account		₹4,05,000/-
Drawings	₹4,49,600/-	
Salaries	₹4,20,000/-	
Rent and Taxes	₹1,80,000/-	
Printing and stationary	₹48,000/-	
Travelling and conveyance	₹46,850/-	
Clients disbursements	₹14,000/-	
Sundry debtors	₹1,23,500/-	
Furniture and Fixtures	₹1,09,500/-	
Cash in Hand	₹8,250/-	
Cash at Bank	₹1,12,900/-	
Car maintenance	₹22,600/-	
Car expenses	₹76,000/-	
Consultancy fees		₹18,70,500/-
Clients deposits		₹18,000/-
Office expenses	₹62,300/-	

