

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

B.COM. CBCS (SEMESTER I) INTRA SEMESTER ASSESSMENT (ISA-I) TEST, SEPTEMBER 2022

FINANCIAL ACCOUNTING (CC2)

Duration: 30 minutes Marks: 10

INSTRUCTION: Answer Any One Question from the following.

Q.1)(10 Marks)M/s Rima enterprise purchased a Machinery costing Rs. 1,78,000 and spent Rs. 22000 on its installation on 1st January 2018. The machinery is having an estimated scrap value of Rs 3000, however realised only Rs 2000 at the end of the fourth year. In order to replace the asset at the end of four years, the company decided to follow Sinking fund Method. For the purpose, an investment of Rs. 38950 per annum is required to be made in Government securities which will fetch an interest @ 5% p.a. At the end of four years, the investments were sold at Rs 1,25,000. Assuming, the investments are made in the multiples of 100, you are required to prepare for the years ended 31st December 2018, 31st December 2019, 31st December 2020 and 31st December 2021;

1. Machinery A/c
2. Sinking Fund A/c
3. Sinking Fund Investment A/c

OR

Q.2) Answer the following in about 100 words. **(10 Marks)**

- a) Revaluation Method and Depletion Method of charging Depreciation. **(5 Marks)**
- b) Meaning and any four Objectives of Depreciation. **(5 Marks)**