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**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE & ECONOMICS**  
**FARMAGUDI, PONDA GOA**  
**B. COM. CBCS (SEMESTER I) REPEAT EXAMINATION NOVEMBER 2023**  
**CC2- FINANCIAL ACCOUNTING**

**Duration: 2 Hours**

**Marks:80**

**Instructions:**

1. Question no.1 is compulsory.
2. Answer any 3 questions from Q2. to Q6.
3. Numbers to the right indicate full marks.

**Q1.** Mr. Sun does not maintain proper books of accounts. From the following information, prepare Trading and Profit and Loss Account for the year ended 31st March, 2023 and a Balance Sheet as on that date. (20)

Particulars	31.03.2022 ₹	31.03.2023 ₹
Debtors	31,500	43,750
Stock	17,150	23,100
Cash and Bank	8,750	?
Creditors	10,500	7,875
Furniture	3,000	3,500
Plant and Machinery	55,000	55,000
Land and Buildings	1,40,000	1,40,000

Analysis of the other transactions are:

Particulars	₹
Cash Collected from Debtors	1,07,000
Cash Paid to Creditors	77,000
Salaries	21,000
Rent	2,700
Office Expenses	3,150
Drawings	5,000
Fresh Capital introduced	3,500
Cash Sales	3,000
Cash Purchases	8,800
Discount Received	1,225
Discount Allowed	525
Returns Inward	1,750
Returns Outward	1,400
Bad debts	350

**Further Information:**

- (a) Depreciate Plant and Machinery by 2%, Land and Building by 5% and Furniture by 10%.
- (b) Office expenses were prepaid ₹150 on 31<sup>st</sup> March, 2023.

**P.T.O.**

**Q2. Following is the Balance sheet of Happy Co. Ltd. As at 31<sup>st</sup> March, 2023. (20)**

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
60,000 Equity shares of ₹ 10 each fully paid	6,00,000	Fixed Assets	5,50,000
20,000, 8% Preference shares of Rs.10 each fully paid	2,00,000	Investments (Market value 3,50,000)	3,10,000
Profit & Loss Account	1,60,000	Current Assets	2,00,000
Sundry Creditors	1,00,000		
	<b>10,60,000</b>		<b>10,60,000</b>

The preference shares were redeemed on 1<sup>st</sup> April 2022 at a premium of ₹ 2 per share, the whereabouts of the holders of 1,200 not being known. The company issued 10,000 equity shares of ₹10 each at a premium of ₹ 2 per share for redemption. Investments were sold at market value. Pass Journal entries in the books of the Company.

**Q3. Sunrise Ltd. Purchased a machine costing ₹ 30,000. It was estimated by the technicians that the machine life will be 3 years and at the end of which its residual value will be ₹ 3750. The company opted for an endowment policy for a sum of ₹ 26250 at an yearly premium of ₹ 8245.38 payable at the beginning of every year. Taking into account the following surrender values of the policy, show Insurance Policy Account, Depreciation Fund Account and Machine Account for 3 years.**

At the end of 1<sup>st</sup> year ₹ 900, At the end of 2<sup>nd</sup> year ₹ 6750, At the end of 3<sup>rd</sup> year the claim was duly met by the Insurance Company and the scrap realized ₹ 3400 only. (20)

**Q4. Star Production ltd. offer 30,000 equity shares of ₹100 each at a premium of ₹10. The share amount payable was as follows: (20)**

On Application – ₹ 30, On allotment – ₹ 40 (including premium) and on first and final Call ₹40. Applications were received for 40,000 shares. The shares were allotted as under:

To the applicants of 20,000 - full

To the applicants of 15,000- 10,000

To the applicants of 5,000- Nil

The amount received from rejected applicants was refunded. All calls were made and all money was received except Ms. Moon to whom 2000 shares were allotted failed to pay the allotment money and her subsequent failure to pay first and final call. These shares were forfeited and 1500 shares were reissued at ₹ 95 per share. Pass necessary journal entries in the books of the company.

**Q5. A. Jupiter Ltd. had issued capital of 50,00,000 of 10 each. The balance in general reserve was ₹7,00,000 and securities premium ₹50,000. The company decided to buyback 1/5<sup>th</sup> of its share capital at 20% discount. The company issued 2,50,000 10% preference shares for buyback. Pass necessary journal entries in the books of the company. (10)**

**Q5. B. A second hand machinery was purchased on 1-1-19 for ₹40,000. An additional machinery was purchased on 1-7-19 for ₹26,000. The company charges depreciation @ 10% p.a. on straight line method of depreciation. However from 2021 onwards the company decided to change the method to W.D.V having same rate of depreciation and show the effect of change in the year 2022 with retrospective effect. Prepare Machinery A/c for the years ended 2019, 2020, 2021 and 2022. (10)**

