

SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES

Telang Nagar, Khorlim, Mapusa-Goa.

F.Y.B.COM SEMESTER I EXAMINATION OCTOBER, 2019

W.E.F- 2017-18 (C.B.C.S)

Duration: 2 Hours

Max Marks: 80

CC2: FINANCIAL ACCOUNTING

Instructions: 1. *Question No.1 is compulsory*

2. *Answer ANY THREE from Question No. 2 to Question No.6*

3. *Figures to the right indicate full marks*

Q.1. Tanya Ltd. issued 50,000 Equity Shares of Rs.10 each, at a premium of Rs.2 per share, payable as follows:

On Application: Rs.5 On Allotment: Rs.4 (including Premium)

On First & Final Call: Rs.3

The issue was fully subscribed. All money payable by shareholders was received except from a shareholder who had taken 1000 shares failed to pay the first & final call money. His shares were forfeited and re-issued at Rs.8 per share. Pass necessary journal entries in the books of Tanya Ltd. (20)

Q.2. Mr. Omraj maintains his books on the single entry system & furnishes the following details to you for the year 2018:

| Particulars | 1.1.2018 | 31.12.2018 |
|--------------|----------|------------|
| Machinery | 20,000 | 25,000 |
| Debtors | 25,000 | 40,000 |
| Creditors | 15,000 | 20,000 |
| Stock | 10,000 | 15,000 |
| Cash at Bank | 5,000 | 8,000 |

The other information relating to the year 2018 is as follows:

| Particulars | Amount |
|-----------------------|----------|
| Receipts from Debtors | 2,50,000 |
| Payments to Creditors | 2,26,000 |
| Discount Received | 5,000 |
| Bad Debts | 7,000 |
| General Expenses Paid | 30,000 |
| Drawings | 6,000 |
| Cash Purchases | 11,000 |

Additional Information:

Provide a Reserve for bad debts of Rs.2,500. Depreciate fixed assets @ 10% and outstanding General expenses amounted to Rs.5,000. Addition to the Machinery was made during the year. You are required to prepare Trading and Profit and Loss Account for the year ending 31st December 2018 and Balance sheet as on that date. (20)

Q.3. On 1st January 2016; a trader purchased a Machinery for Rs.50,000. The Machinery is to be replaced at the end of 3rd year for which purpose a sinking fund is raised. The sinking fund table shows that annual amount to be provided for on the basis of 5% interest works out at Rs.15,860. At the end of the third year investment were sold Rs.30,000. Show Machinery Account, Sinking Fund Account and Sinking Fund Investment Account. (20)

Q.4. The following is the summarized Balance Sheet of Saipriya Ltd. as on 31st March 2018.

| Liabilities | Amount | Assets | Amount |
|--|------------------|----------------|------------------|
| Share Capital: | | Fixed Assets | 6,90,000 |
| 39,000 Eq. shares of Rs.10 each fully paid | 3,90,000 | Current Assets | 3,22,000 |
| 16,000 Redeemable Preference Shares of Rs.10 each fully paid | 1,60,000 | | |
| Reserves and Surplus: | | | |
| Profit & Loss A/c | 3,70,000 | | |
| Current Liabilities: | | | |
| Sundry Creditors | 92,000 | | |
| Total | 10,12,000 | Total | 10,12,000 |

The preference shares were redeemed at a premium of Rs.2 per share. For the purpose of redemption, the company made a fresh issue of 10,000 equity shares of Rs.10 each. After utilising the fresh issue, company utilised the profits available to fulfil the redemption requirements.

Show journal entries to record the above transaction in the books of Saipriya Ltd. and prepare Balance sheet as per revised schedule III of the Companies Act 2013. (20)

Q.5. (A) Write short notes on the following methods of Depreciation:

1. Revaluation Method
2. Depletion Method

(10)

Q.5. (B) A second hand Machinery was purchased on 1st January 2016 for Rs.2,00,000 and spent Rs.50,000 for its installation. On 1st July 2016 another Machinery purchased for Rs.1,00,000. On 1st January 2018 the Machinery purchased on 1st January 2016 was sold for Rs.1,25,000. The company adopted calendar year as its financial year and hence closes its books on 31st December every year. The company provides 10% p.a. depreciation on original cost. However on 31st December 2018, the company changed the method of depreciation to diminishing balance method @ 15% p.a. Show Machinery Account for the year 2016, 2017 and 2018. (10)

Q.6. (A) Explain in Brief the conditions and limits of buy-back of Equity Shares. (10)

Q.6. (B) Akshay Ltd. passed a resolution for buying back 20,000 equity shares of Rs.10 each at Rs.15 per share. No fresh issue was made for this purpose. The company has Rs.70,000 in Securities Premium account and Rs.3,00,000 in General Reserve. Pass necessary journal entries in the books of Akshay Ltd. (10)