

SARASWAT VIDYALAYA's
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA –GOA
B.COM FIRST SEMESTER END EXAMINATION NOVEMBER 2022
w.e.f 2017-19 CBCS

FINANCIAL ACCOUNTING - I

Duration: 2 Hours

Maximum Marks: 80

- Instructions:** 1) Q.No.1 is compulsory
2) Answer any three from Q.No2 to Q.No.6
3) Figures to the right indicate full marks.
4) Show working notes wherever required.

Q.No 1) VIDHATA PLASTICS Limited issued 20,000 Equity shares of Rs.100 each at a premium of Rs. 10 per share. The share amount was payable as follows: (20 Marks)

On Application –Rs.20

On allotment – Rs.40 (including premium)

On First Call – Rs.25

On Final Call – Rs.25

Applications were received for 15,000 shares and all these applications were allotted shares.

The directors made all the calls on shares .The first call money was not received on 1000 shares . The directors forfeited the shares on which the first call was not paid. All the 1000 forfeited shares were reissued as fully paid at Rs. 100 (par).

Give Journal entries in the books of Vidhata plastics Ltd.

Q.NO.2) Following details were extracted from the books of Mr. KASHINATH for the year ended 31st March 2022; (20 Marks)

a) Cash and bank account

Receipts	Amount (Rs)	Payments	Amount(Rs.)
To balance b/d	63,375	By Sundry Creditors	12,25,650
To cash sales	62,500	By Wages paid	81,400
To received from Debtors	17,25,950	By Salaries	1,10,950
To additional capital	87,500	By Printing and stationery	30,900
To commission received	1,31,500	By Drawings	30,000
		By Purchase of Machinery (purchased on 1st October 2021)	1,25,000
		By Cash purchases	1,05,375
		By General expenses	48,625

		By balance c/d	3,12,925
TOTAL	20,70,825	TOTAL	20,70,825

b)

PARTICULARS	Balance on 31-3-21 (Rs.)	Balance on 31-3-2022 (Rs.)
Furniture	1,62,500	?
Cash and bank balance	63,375	3,12,925
Machinery	2,50,000	?
Sundry debtors	3,58,800	3,35,700
Stock	90,600	1,56,350
Sundry creditors	3,14,100	3,63,550
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c) Other Information ;

i) Provide depreciation on furniture @ 10% p.a and Machinery @ 20% p.a..

ii) Wages outstanding Rs,13,750

iii) Bad debts written off were Rs.10,300

iv) Discount allowed Rs.6625

v) Discount received Rs.6325 .

you are required to prepare;

a) Trading and profit and loss account for the year ended 31st march 2022.

b) Balance sheet as on 31st March 2022.

Q.No3) A machine is purchased for Rs.20,000 . At the end of four years it has to be replaced and therefore for this purpose an insurance policy is taken out , the annual premium on the policy being Rs.4,600 . At the end of the fourth year a new machinery is purchased and installed costing Rs.22,000.

The old machinery was written off . (20 Marks)

Prepare a) Machinery account for all the four years

b) Depreciation fund account for all the four years

c) Depreciation Insurance Policy account for all the four years

Q.No 4) SURYA LOGISTICS LIMITED decided to redeem their preference shares as on 31st March 2022 on which date their position was as follows; (20 Marks)

LIABILITIES	AMOUNT (RS)	ASSETS	AMOUNT(RS.)
Share Capital; 5000 Equity shares of Rs.100 each fully paid up	5,00,000	Cash and bank balance	1,40,000
2000 Redeemable preference shares of Rs.100 each fully paid	2,00,000	Fixed assets	8,60,000
Reserves and surplus ; Securities premium	20,000		
Capital reserve	80,000		
Dividend equalization reserve	1,10,000		
Sundry creditors	90,000		
TOTAL	10,00,000	TOTAL	10,00,000

The redemption was to be made at a premium of 5% . In order to enable the redemption to be carried out, the company decided to issue 900 equity shares of Rs. 100 each at par . The redemption was duly carried out.

Show Journal entries relating redemption in the books of the company and also show the Balance sheet after redemption.

Q.No.5) (A) What is Buy- Back of shares ? What are the objectives of Buy – back of shares ? (10 marks)

(B) Explain the sources of Buy back of shares. (10 Marks)

Q.NO.6) (A) A second hand machinery was purchased on 1st January 2015 for Rs. 30,000 and Rs. 6,000 and Rs.4,000 were spent on its repairs and erection respectively. On 1st July 2016 , another machine was purchased for Rs. 26,000 . On 1st July 2017 , the machine that was purchased on 1st January 2015 having become obsolete was auctioned for Rs.30,000.and on the same day another machinery was purchased for Rs.25,000 .On 1st July 2018 , the machine purchased on 1st July 2016 was sold for Rs. 23,000 .

Depreciation is provided annually on 31st December . Depreciation was provided @ 10% on original cost method till December 2017. However in 2018 and onwards , depreciation is to be provided @ 20 % on W.D.V basis or reducing balance method.

You are required to prepare Machinery account from 2015 to 2018. (10 marks)

(B) Write short notes on the following depreciation methods; (5x2=10 marks)

i) Sum of the digits method

ii) Revaluation method