

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,  
NUVEM-GOA**

**SEMESTER END EXAMINATION, JULY 2021**

**Semester: VI of T.Y.B.Com**

**Course name & Code: UCOD 125- Accounting Major VII: Accounting II**

**Total marks: 30    Date:19/07/2021    Duration: Two Hours    Total No of pages: 6**

**Instructions:** 1. All questions carry equal marks of 10.

2. Attempt **ANY THREE** questions.

3. Prepare working notes wherever necessary,

Answer **any THREE** questions from **Q1 TO Q5**

- Q1** Dr. Dessai practices as a general physician, following are his income  
and expenditure for the year ended March 2021.

Particulars	Amount (₹)
Fees received from Patient	5,60,000
Bank Interest received	1,65,000
Rent Paid	1,50,000
Salaries paid	1,20,000
Office expenses	80,000
Furniture Purchased	2,00,000
Medical Equipment Purchased	2,00,000

**10 marks**

**Prepare an Income and Expenditure Account for the year ended  
March, 2021**

Additional Information:

- a) Salaries outstanding payable to staff amounts to Rs. 5000  
b) Depreciation on Furniture considered @ 10 % and Medical  
Equipment @ 20 %

- Q2** Q.2. IBM Ltd issued 20000 12% Debentures of Rs. 100/- each on 1<sup>st</sup> **10 marks**

- April, 2018. The debentures were issued at a discount of 5% and are  
repayable at a premium of 10% after 5 years. Transfer necessary  
amount to the Debenture Redemption Reserve A/c and DRRI A/c.

Pass necessary Journal Entries (Ignore Interest).

- Q3** Q.3. ITC Ltd issued 10000, 10% debenture of Rs. 200 each at par on **10 marks**

- 1<sup>st</sup> April, 2017. The debentures were redeemable at a premium of 10%.  
The company decided to set aside Rs. 20000 per annum, the said  
amount was invested in 8% Rural Electrification Bonds.

Pass necessary journal entries for the **first 3 years**.

**Q4** On 1<sup>st</sup> April 2020, Arman Ltd. purchased 10,000 equity shares of ₹ 100 each in TELCO Ltd. @ ₹ 240 each from a broker who charged 2% brokerage. He incurred 50 paise per 100 as cost of transfer stamps. On 31<sup>st</sup> of January 2021 bonus was declared in the ratio of 1:2. Before and after the record date of bonus shares, the shares were quoted at ₹ 350 per share and ₹ 180 per share respectively. On 31<sup>st</sup> March 2021, Ms. Arman Ltd. sold bonus shares to a broker who charged 2% brokerage. Show Investment Account in the books of Ms. Arman Ltd. who held the shares as Current Investments and valued the closing investments at the lower of Cost or Market Value. **10 marks**

**Q5** Ms. Sparx Ltd. purchased and sold 12% debentures in Reliance India Ltd. The interest is payable by Reliance India Ltd. on the 30<sup>th</sup> of June and 31<sup>st</sup> of December every year. The following information is provided:

Date	No. of Debentures	Transaction
01.04.2020	2400	Opening Balance Cost- ₹ 2,28,000 (F.V. ₹ 100)
01.06.2020	900	Sold @ ₹ 105 cum-interest
01.09.2020	2100	Purchased at ₹ 98 ex-interest
01.12.2020	1200	Purchased at ₹ 108 cum-interest
01.02.2021	2700	Sold at ₹ 97 ex-interest.

Prepare Investment A/c of 12% Debentures in the books of Ms. Sparx Ltd. 31<sup>st</sup> March 2021. The market value of investments on 31.3.2021 was ₹ 2,02,500.

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