

**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 1st **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**

- 1st 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 1st 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 31st 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 31st 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 30th of June and 31st 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. 31st March 2021. The market value of investments on 31.3.2021 was ₹ 2,02,500.
