

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN**  
**SEMESTER END EXAMINATION, JANUARY 2022**

**Semester: III**

**Course Name and Code: FINANCIAL ACCOUNTING [UCOC102]**

**Total Marks: 80**

**Date:**

**Duration: 2 Hours**

**Total No of pages: 03**

*Instructions:* 1) Q. No. 1 is compulsory.

2) Answer any **THREE** questions from Q. No. 2 to Q. No. 6.

3) Figures to the **right** indicate **marks**.

[20]

**Q. 1]** Mr. Matdar who keeps his books by single entry gives you the following information for the year 2015.

Receipts	Rs.	Payments	Rs.
To Balance at Bank	4,350	By Matdar's Drawings	7,520
To Sundry Debtors	38,400	By Trade Creditors	27,100
To Bills Receivable realised	12,000	By Bills Payable	9,300
To Commission received	1,500	By Wages	12,000
To Cash Sales	8,600	By Salaries	6,500
To Balance c/d	3,350	By Rent and Taxes	4,400
		By Insurance	800
		By Carriage	250
		By Advertising	330
	<b>68,200</b>		<b>68,200</b>

Particulars of other assets and liabilities:

Particulars	1.1.2015	31.12.2015
Stock on hand	18,700	23,400
Debtors	12,000	14,000
Creditors	9,000	1,500
Bills Receivable	4,000	5,000
Bills Payable	1,000	200
Furniture	600	600
Building	12,000	12,000

A reserve of Rs. 1,450 is required for doubtful debts and depreciation at 5% is to be written off Building and Furniture. Rs. 3,000 are outstanding for the wages and Rs. 1,200 for salaries. Insurance has been prepaid to the extent of Rs. 250. Legal Expenses are outstanding to the extent of Rs. 700.

Prepare final accounts.

[20]

**Q. 2]** Karyakarta & Co. acquired a machine for Rs. 36,000 on 1/1/2012. The cost of erection was Rs. 5,000. The scrap of the machine is expected to realise Rs. 1,000. The machine is to be replaced at the end of 4 years. For this purpose, an Insurance Policy is taken out. The annual premium being Rs. 9,200. At the end of 4 years a new machine was acquired for Rs. 45,000.

Show the following ledger accounts as they would appear for 4 years.

- Machinery A/c
- Depreciation Fund A/c
- Depreciation Insurance Policy A/C

[20]

**Q. 3]** Aamdar Ltd, invited applications for its 25,000 Equity shares of Rs. 10 each issued at a premium of 10% on the following terms:

- Payable on application Rs. 5 per share
- Payable on allotment Rs. 3 per share (including premium)
- Payable on first & final call Rs. 3 per share

Applications for 31,250 shares were received. It was decided:

- to refuse allotment to the applicants for 1,250 shares.
  - to allot in full to applicants for 5,000 shares.
  - to allot balance of the available shares **PRO RATA** basis among the other applicants;
- And
- to utilise excess application money in part payment of Allotment money.

One applicant to whom 40 shares had been allotted on pro-rata basis did not pay the amount due on allotment and on the call and his 40 shares were forfeited. These shares were then reissued at Rs. 9 per share.

Pass the necessary journal entries in the books of Aamdar Ltd.

[20]

**Q. 4]** Following is the abstract of Balance Sheet of Naara Ltd. as on 31<sup>st</sup> March 2017:

Liabilities	Amount	Assets	Amount
5,00,000 Equity Shares of Rs. 10 each	50,00,000	Fixed Assets	48,67,000
Security Premium	5,000	Investments	50,000
Profit and Loss A/c	85,000	Other Current Assets	2,58,000
Current Liabilities	1,78,000	Cash/Bank Balance	93,000
	<b>52,68,000</b>		<b>52,68,000</b>

The company on 1<sup>st</sup> April, 2017 bought back 1,00,000 Equity Shares at 10% premium. The company sold its investments for Rs. 60,000. The company issued 8%, 10,000 Debentures of Rs. 100 each. Give entries and Balance Sheet.

[20]

**Q. 5]** The following is the Balance Sheet of Sabha Ltd. as on 31<sup>st</sup> March, 2016:

Liabilities	Rs.	Assets	Rs.
50,000 Equity Shares of Re.10 each, Rs. 8 per share called up & paid up	4,00,000	Fixed Assets	6,00,000
5,000 13% Red Pref Shares of Re. 100 each	5,00,000	Investments	2,00,000
Securities Premium Account	98,000	Stock	2,00,000
General Reserve	90,000	Sundry Debtors	2,00,000
Profit & Loss A/c	1,12,000	Cash at Bank	3,00,000
Sundry Creditors	3,00,000		
	<b>15,00,000</b>		<b>15,00,000</b>

The company resolved:

- a) To convert the partly paid-up equity shares into fully paid-up on 1<sup>st</sup> April, 2016 without requiring the shareholders to pay for the same.
- b) To redeem the preference shares on 30<sup>th</sup> April, 2016 at a premium of 7.5% and for this purpose to issue 3,000 12% preference shares of Rs. 100 each at a premium of 10%, payable in full on application.

The resolutions were carried into effect. For the purpose of the above redemption on 29<sup>th</sup> April, 2016; the Company sold its fixed assets costing Rs. 3,00,000 for Rs. 3,82,500 and all the Investments for Rs. 2,60,000. On 31<sup>st</sup> May, 2016; all payments were made on redemption except to holders of 200 shares who could not be traced.

You are required to give necessary Journal Entries in the books of the company to record the above transactions.

[20]

**Q. 6]** A five years' lease has been acquired for Rs. 50,000 and it has been decided to provide for its annual depreciation as also for its replacements at the expiry of the terms on the Depreciation Fund System. A reference to the Depreciation Fund Tables show that the annual amount to be provided for on the basis of 5% interest works out at Rs. 9,050.

Show the Depreciation Account, Depreciation Fund Account and the Depreciation Fund Investment Account for the five years.

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