

CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN
NUVEM-GOA
SEMESTER END EXAMINATION, NOVEMBER-DECEMBER 2022

Semester: I

Course Name and Code: FINANCIAL ACCOUNTING [UCOC102]

Total Marks: 80

Duration: 2 Hours

Date: 16/11/2022

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] 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 term on the Depreciation Fund System. A reference to the Depreciation Fund Table shows that the annual amount to be provided for on the basis of 5% interest works out at Rs. 9,050.

Show the Lease Account, Depreciation Fund Account and Depreciation Fund Investment Account for a period of five years.

[20]

Q. 2] Mr. Bhim maintained his account on Single Entry System. His balances for the year ended 31st March, 2017 and 31st March 2018 were as follows:

Particulars	31.3.2017 (Rs.)	31.3.2018 (Rs.)
Bills Receivable	4,000	2,400
Stock	7,900	8,800
Creditors	9,400	8,350
Cash	3,908	1,963
Bills Payable	3,471	5,051
Debtors	9,361	8,355
Furniture	2,000	2,000

From his Cash Book for the year 2017-18, you get the following information:

Wages Rs. 900;
Bills Payable Rs. 3,000;
Bills Receivable Rs. 4,300;
Miscellaneous Expenses Rs. 700;
Salary Rs. 800;
Investments Purchased Rs. 1,000;
Sales Rs. 1,200;
Purchases Rs. 600;
Received from debtors Rs. 2,450;
Paid to creditors Rs. 1,425;
Miscellaneous Income Rs. 30 and
Drawings Rs. 1,500.

On enquiry you are told that in 2017-18, discount allowed and received were Rs. 400 and Rs. 355 respectively.

During the period, Mr. Bhim accepted Bills for Rs. 4,580 and received Bills for Rs. 3,000. His Bad Debts were Rs. 560 and Bills Receivables dishonoured Rs. 300.

Give the Trading Account, Profit & Loss Account for the year ended 31st March, 2018 and the Balance sheet as on that date of Mr. Bhim.

[20]

Q. 3] Rex Co. Ltd. invited applications for 10,000 shares for Rs. 100 each payable as follows:

On application	-	Rs. 20
On allotment	-	Rs. 30
On first call	-	Rs. 30
On final call	-	Rs. 20

Applications were received on all the shares and all these shares were accepted. All money due were received except the final call money on 100 shares, which were forfeited. All the forfeited shares were reissued to Mr. A at Rs. 90 (Ninety) each fully paid up.

Pass necessary journal entries in the books of Rex Co. Ltd.

[20]

Q. 4] Following is an abstract of Balance Sheet of Chagan Ltd. as on 31st March, 2017

Abstract of Balance Sheet as on 31st March 2017

Liabilities	Amount	Assets	Amount
Equity Shares of Rs. 100 each	5,00,000	Cash/Bank Balance	2,50,000
Security Premium	50,000	Investments	2,50,000
General Reserves	3,50,000	Other Current Assets	3,00,000
Profit and Loss A/c	1,00,000	Fixed Assets	10,00,000
8% Debentures	3,00,000		
Bank Loan	2,00,000		
Unsecured Loans	1,00,000		
Current Liabilities	2,00,000		
	18,00,000		18,00,000

The company intended to purchase its own Equity Shares at Rs. 120 per share. Calculate maximum amount of buyback of Equity Shares. Fully utilize the security premium.

Give journal entries and prepare Balance Sheet after buyback.

[20]

Q. 5] The following is the Balance Sheet of Zodiac Ltd. as on 31st March, 2016:

Liabilities	Rs.	Assets	Rs.
50,000 Equity Shares of Re.10 each,		Fixed Assets	6,00,000
Rs. 8 per share called up & paid up	4,00,000	Investments	2,00,000
5,000 13% Red Pref Shares of Re. 100		Stock	2,00,000
Each	5,00,000	Sundry Debtors	2,00,000

Securities Premium Account	98,000	Cash at Bank	3,00,000
General Reserve	90,000		
Profit & Loss A/c	1,12,000		
Sundry Creditors	3,00,000		
	15,00,000		15,00,000

The company resolved:

- To convert the partly paid-up equity shares into fully paid-up on 1st April, 2016 without requiring the shareholders to pay for the same.
- To redeem the preference shares on 30th 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 29th 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 31st 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 company purchased a lease for three years for Rs. 30,000 on 1st January, 2007 and decided to provide for its replacement by means of an insurance policy of Rs. 30,000. The annual premium was Rs. 9,500. On 1st January, 2010; the lease is renewed for a further period of three years for Rs. 33,000.

Show necessary Ledger Accounts for a period of three years.
