

M.E.S. COLLEGE OF ARTS & COMMERCE, ZUARINAGAR-GOA
B.Com (CBCS) I Semester End Examination (Regular/ Repeat), January, 2022
CC- 2 Financial Accounting-I (UCOC 102)

- Instructions:** 1. *Question No.1 is compulsory*
2. *Answer any three Questions from Q. No 2 to Q.No.6.*
3. *Simple Calculators are allowed.*
4. *All working notes should form a part of the answer.*
5. *Figures to the right indicate marks allotted.*

Duration: 2 Hours

Max. Marks: 80

Q.1) Akshaya Ltd invited applications for 20,000 equity shares of Rs100 each at a premium of 10%. The share amount was payable as follows:

- Rs.25 on application
- Rs.40 on allotment (Including premium)
- Rs.25 on first call
- Rs.20 on final call.

Applications were received for 25,000 shares. Out of the excess applications received, the company decided to reject 3,000 applicants and balance application money to be adjusted with allotment money. All money due were received, except on final call on 400 shares, which were forfeited after doing all necessary formalities. Out of the forfeited shares 200 shares were re-issued by the company for an amount of Rs.90 per share. You are required to pass necessary journal entries in the books of Akshaya Ltd. **(20 Marks)**

Q.2) Octagon Ltd acquires a five years lease for an amount of Rs 400000/- as on 1st April 2014. It decided to provide for the renewal of the lease immediately after five years by setting up a depreciation fund. It is expected that investments will fetch interest @ 5% p.a. Sinking fund table shows that Re.0.180975 invested each year will produce Re.1 at the end of five years at 5% p.a. At the expiry of the lease, the depreciation fund investments are sold for Rs.3,22,000. Prepare Lease A/c, Sinking fund A/c and Sinking fund investment A/c in the books of Octagon Ltd. for a period of five years. **(20 Marks)**

Q.No.3) Geno Ltd has the following Balances as on 31st March 2020.

1,00,000 equity shares of Rs.10 each at Rs.8 paid up Rs.8,00,000, Securities premium Rs.20,000 General reserve Rs.1,50,000 Capital redemption reserve Rs.70,000 and Profit & Loss A/c Rs.2,00,000. The Company purchased 20,000 equity shares at a discount of 10% and the balance amount was met out of reserves. The amount of call is duly received. The Company incurred an amount of Rs.6,000 on account of buyback expenses You are required to pass necessary journal entries in the books of Geno ltd. **(20 Marks)**

Q.No.4) The Balance sheet of Metro Ltd contained the following items as on 31st March 2020. 8% preference shares of Rs.100 each Rs.4,00,000, securities premium Rs.18,000 and General

reserve A/c Rs.3,20,000. The company redeemed the preference shares at a premium of 5% on 1st April 2020. For the purpose of redemption, it issued 2,000 equity shares of Rs.100 at a premium of 4%. You are required to pass necessary journal entries in the books of Metro Ltd to effect redemption of shares and also prepare abstract of the Balance Sheet. **(20 Marks)**

Q.5) From the information of Shri.Vikas given below you are required to prepare Debtors A/c, bills receivables A/c, creditors A/c and bills payable to find out missing information.

Particulars	1st April '19	31 st March '20
Sundry debtors	4,80,000	7,50,000
Sundry creditors	3,10,000	5,20,000
Bills receivables	20,000	50,000
Bills payable	30,000	40,000
Stock in trade	4,70,000	5,50,000

Transactions during the financial 2019-20 were as follows:

Received from debtors	36,00,000	Sales returns	50,000
Received cash against bills receivables	4,70,000	Discount allowed	30,000
Paid to creditors	30,00,000	Bad debts	20,000
Paid for bills payable	90,000	Purchase returns	45,000
Return to creditors	60,000	Bills receivables dishonored	16,000
Bills payable dishonored	10,000	Discount received	42,000

(20 Marks)

Q.6) On 1st April 2014 Crystal Ltd purchased a Machine for an amount of Rs.2,80,000/- and spent Rs.20,000/- on its transportation and installation. On 1st Oct 2014 it purchased another machine for an amount of Rs.1,80,000/-. On 1st Oct 2016 it sold out the first machine for an amount of Rs.2,25,000/- and on the same date purchased another machine for an amount of Rs.1,75,000/-. On 1st Oct 2017 it sold out the second machine for an amount of Rs.1,22,000/- Depreciation was provided on machinery @ 10% p.a. on the original cost annually on 31st March. In 2017, however the company changed the method of depreciation and adopted written down value method @ 15% p.a. from the above details prepare machinery account for four years commencing from acquisition of first machine. **(20 Marks)**