

FYFM
Library

Fin. Accg.

OCT 12

MN10ACW

Time : 2 Hrs

Q.1 Journalize the below transactions in the books of Studious Limited for the month of September 2012. [15]

1. Purchased furniture from Woodmart on credit for Rs. 2,000.
2. Purchased a costly spare part of a Machine from Reliable Stores on credit for Rs. 10,000.
3. Commission receivable from Hari Rs. 500.
4. Goods worth Rs. 55,000 destroyed by fire.
5. Insurance company paid Rs. 30,000 as claim for the above loss of goods by fire.
6. Purchased goods worth Rs. 13,000 from Jeet Ltd. on credit at 15% trade discount.
7. Paid to Jeet Ltd. for the above purchases at 12% cash discount.
8. Veer Ltd. returned goods worth Rs. 103,500 sold to them on credit at 15% profit on purchase price.
9. The above goods were immediately returned to Vinod Ltd. from whom it had been purchased.
10. Commission of Rs. 500 that had to be paid by Hari was paid by him vide cheque no. 123456 dated 7th September 2012 of Bank of Maharashtra. Hari's cheque was deposited in Bank of India by Studious Limited.
11. Sold goods worth Rs. 6,000 to Vimal on credit and allowed a trade discount of 5% on this amount.
12. Purchased goods worth Rs. 3,000 from Brainy on credit and received a trade discount of 7% on this amount from Brainy.
13. Incurred heavy advertising expenditure of Rs. 2,00,000 which had to be paid to Limelight Ltd after a month.
14. Received Rs. 5,500 in full and final settlement from Vimal.
15. Paid Rs. 2,600 to Brainy in full and final settlement.

P.T.O.

Q.2 A) Match the following Columns :

[8]

Column A**Column B**

- | | |
|--|---|
| 1. Guides to accounting procedures / processes based on custom/usage/ general agreement. | a) Expenditure for cost of replacement of defective part of machinery |
| 2. Basic Assumptions or conditions upon which accounting principles are based | b) Purchase Book |
| 3. Real Account | c) Expenditure for wages incurred for extension of building |
| 4. Deferred Revenue Expenditure | d) Debit side \geq Credit side |
| 5. Capital Expenditure | e) Cash Account |
| 6. Books of Prime or Original Entry | f) Salary Payable Account |
| 7. Revenue Expenditure | g) Accounting Concept |
| 8. Cash Ledger Account | h) Accounting Convention |
| | i) Printing and Stationery Account |
| | j) Preliminary & Formation Expenses |

B) Prepare a Trial Balance as on 30th September 2012 in the below given format with the below given details :

[7]

Format :

Trial Balance as on 30th September 2012		
Account Name	Debit Balance (Rs.)	Credit Balance (Rs.)

Details :

Particulars	Rs.	Particulars	Rs.
Capital Account	500,00	Purchase Returns	2,000
Carriage Outward	100,000	Purchase	300,000
Cash at Bank	25,000	Rent & Rates	20,000
Cash in hand	2,000	Salaries	12,000
Commission Received	10,000	Sales	350,000
Discount Allowed	5,000	Sales Returns	3,000
Drawing	50,000	Sundry Creditors	150,000
Furniture	50,000	Sundry Debtors	320,000
Loan (Taken)	200,000	Travelling Expenses	70,000
Opening Stock	75,000	Wages	15,000
Plant & Machinery	150,000	Printing & Stationery Exp.	15,000

Q.3 Prepare a bank reconciliation statement as on 31st December, 2011 with the below given details :

[15]

- The balance in our bank book is Rs. 1,28,000.
- The banker has collected interest on debentures on our behalf amounting to Rs. 2,800 and credited to bank statement. We were not aware of this receipt by the bank.
- Cheques totalling to Rs. 5, 18, 314 had been issued in the month of December 2011. Cheques amounting to Rs. 1,38, 728 were encashed in December 2011 itself, the rest were encashed in January 2012.
- Cheques totalling to Rs. 3,23,457 had been sent for collection in the month of December 2011. Cheques amounting to Rs. 2,27,892 were collected in January 2012, the rest were collected in December 2011 itself.
- The bank pass book showed a debit of Rs. 22,523 in respect of a dishonoured bill.
- A customer has directly deposited Rs. 1,000 into our bank account.
- The bank paid tax liabilities on our behalf amounting to Rs. 5,000. This entry was omitted to be passed in our books of account.
- A cheque received from Mr. X for Rs. 2,208 was recorded by us twice in our bank book.
- A cheque received from a customer for Rs. 2111 was sent for collection

This cheque was cleared in January 2012. We missed out to pass the entry for the receipt of this cheque in our bank book.

10. Dividend collected by bank Rs. 1,000. This intimation was received on 2nd January 2012 and the entry was passed on that day.

OR

Q.4 A) FYBFM Ltd. is coming out with an IPO. The details are as follows : [15]

1. No. of shares to be issued 1,20,000
2. Price band 25-29
3. Applications received are :

No. of Shares applied for	Received Rate / Bid
60,000	29
100,000	28
40,000	27

You are required to

1. Calculate the cut off price by using weighted average price of rate /bid received based on number of shares applied for per rate / bid.
2. What is the cap price ?
3. What is the floor price ?
4. What is the price band %? What is the legally permissible price band %?
5. Company has decided to make pro-rata allotment at cut off price of Rs. 26. Show how many shares would be allotted for each rate/ bid and what would be the refund amount for each rate/bid.

Q.5 A company charges depreciation on plant and machinery under reducing balance method @ 15% per annum. [15]

On 1st April, 1999, the opening balance in the plant & machinery ledger account stood at Rs. 4,60,000

The following particulars are given relating to plant and machinery during the four years ended 31st March 2003.

1st December 1999	A machine purchased for Rs. 18,000 (installation expenses Rs. 2,000) on 1st April 1997 was fully destroyed in an accident.
1st July 2000	Purchased a new machine costing Rs. 50,000 (carriage inward Rs. 2,500). A sum of Rs. 30,000 was paid on the same date and the balance was paid in May 2001.
31st August 2001	Plant purchased on 1st April, 1998 for Rs. 30,000 (installation expenses Rs. 1,500) was disposed of for Rs. 36,000.
1st November 2002	Some old machines (book value on 1st April 1999 Rs. 10,000) was sold for Rs. 4,000.

Assume that depreciation is charged proportionately where asset is sold, destroyed or bought in the middle of the year.

Show the plant and machinery account as it would appear in the books of the company for the four years ended 31st March 2000, 2001, 2002 and 2003.

OR

Q.6 The following is the balance sheet of Zed Ltd as on 31st March 2001 [15]

Liabilities	Rs .	Assets	Rs.
Share Capital		Fixed Assets	
25,000 10% cumulative redeemable preference shares of Rs. 100 each (Issued on 1st March 1992 as fully paid shares and redeemable at premium of 10% on 28th Feb 2002)	2,500,000	Cost	8,000,000
		Less : Depreciation	<u>2,000,000</u>
			6,000,000
5,00,000 equity shares of Rs. 10 each	5,000,000	INVESTMENTS	Nil
		CURRENT ASSETS, LOANS & ADVANCES	
		A. Current Assets :	7,500,000
		B. Loans & Advances :	Nil
SECURED LOAN		MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)	Nil
14% Debentures	2,500,000		
UNSECURED LOANS	Nil		
CURRENT LIABILITIES & PROVISIONS		Profit and Loss account as per balance sheet	3,000,000
A. Current Liabilities	4,000,000	Less : Profit during the year	<u>2,500,000</u>
B. Provisions	Nil		500,000
	14,000,000		14,000,000