

M. K. S. COLLEGE OF COMMERCE & ECONOMICS

F.Y.B.I.M. (SEM. - II) *Medical Exam July 2022*

Name : _____

Roll No. : _____ Subject : INTRO. TO ACCOUNTING

SECTION - B

Note :

- All Questions are Compulsory, however each Question has internal choice.
- Out of Q. no. 1 (A) & 1 (B) - attempt any one; Out of Q. no. 2 (A) & 2 (B) - attempt any one; Out of Q. no. 3 (A) & 3 (B) - attempt any one And Out of Q. no. 4 (A) & 4 (B) - attempt any one
- All Questions have equal marks.
- All workings must be part of your answer else your answer will be considered as incomplete and marks may be deducted.

Q. 1 (A) :

JK Ltd. decided to redeem their Preference Shares as on March 31, 2022. Their B/S on that date :

Liabilities		Assets	
<u>Share Capital</u>		Bank Balance	1,50,000
* 3,000 Equity shares of Rs. 100 each	3,00,000	Fixed Assets	8,60,000
* 6,000 6% Redeemable Preference shares of Rs. 50 each, Rs. 25 paid up	1,50,000		
* 2,000 8% Redeemable Preference shares of Rs. 100 each, fully paid up	2,00,000		
<u>Reserves & Surpluses</u>			
* Securities Premium	20,000		
* Capital Reserve	80,000		
* Dividend Equalisation Reserve	1,10,000		
<u>Current Liabilities</u>	1,50,000		
	10,10,000		10,10,000

The Company redeem the 8% Preference shares at a premium of 5%. To enable the redemption to be carried out, the company decides to issue, after carrying out the necessary formalities required under the law, minimum number of new equity shares of Rs. 100 each, at a premium of 10%. The redemption is duly carried out. Show necessary Journal entries.

Q. 1 (B) :

Pass necessary Journal Entries in the following cases of issue of Debentures

- X Ltd. issued 10,000 8% Debentures of Rs. 100 each at PAR. These Debentures were Redeemable at a Premium of 10% i.e. at Rs. 110.
- Z Ltd. issued 2,000 9% Debentures of Rs. 100 each at a Discount of 10%. These Debentures were to be Redeemed at a Premium of 10% i.e. at Rs. 110.

- c) P Ltd. issued 5,000 7% Debentures of Rs. 100 each, issued at a Premium of 10%. These Debentures were Redeemable at a Premium of 10% i.e. at Rs. 110.
- d) Q Ltd. issued 7,000 5% Debentures of Rs. 100 each, issued at a Premium of 10%. These Debentures were to be Redeemed at PAR.

Q. 2 (A) :

On 1st April, 2021; 5,000 Equity shares of Rs. 10 each of Apollo Ltd. Were held as Investments by Mrs. Meera, at a cost of Rs. 48,000.

On 30th April, 2021; she purchased 1,000 of such equity shares @ Rs. 12 per share.

On 2nd June, 2021, the Company declared Bonus shares in the Ratio of one share for every two shares held.

On 30th June, 2021; the company made Right issue in the ratio of one share for every two shares held on payment of Rs. 13 per share. Mrs. Meera subscribed to 40% of the shares and sold the balance of her Rights @ Rs. 2 per share.

On 20th September 2021, dividend was received @ Rs. 2 per share for the year ended 31.03.2021.

On 1st December 2021, 1,000 of such shares were sold by Mrs. Meera @ Rs. 20 per share.

Prepare 'Equity shares in Apollo Ltd.' in the books of Mrs. Meera for the y.e. 31.03.2022.

Q. 2 (B) :

On April 1st, 2021; 300 5% Debentures of Rs. 100 each of Zydus Ltd. were held as Investment by Mr. Kapoor, at a cost of Rs. 16,200.

Zydus Ltd. pays interest on May 1st & November 1st every year.

Following transactions were entered by Mr. Kapoor during the year ended March 31st, 2022 with regard to these Debentures :

<u>Date</u>	<u>No. of Deb.</u>	<u>Transac.</u>	<u>Rate</u>
April 1st, 2022	100	Sale	Rs. 98 Ex Int.
October 1st, 2022	100	Pur.	Rs. 104 Cum Int.
December 1st, 2022	200	Pur.	Rs. 97 Ex Int.
February 1st, 2022	100	Sale	Rs. 97 Cum Int.

Prepare Investment in 5% Debentures in Zydus Ltd. account for the y.e. March 31, 2022; as would appear in the books of Mr. Kapoor, Apply AS 13.

Market value of these Debentures on 31.3.2022 was Rs. 91.

Q. 3 (A) :

On 1st January 2022, John Ltd. imported goods worth 85,000 Dollars from Synergy Ltd. of U.S.A. The payments were made as under -

<u>Date</u>	<u>Amount</u>	<u>Exchange Rate (\$)</u>
01.01.2022		Rs. 60
10.01.2022	16,000	Rs. 61
15.02.2022	18,000	Rs. 62
15.03.2022	29,000	Rs. 63
15.04.2022	22,000	Rs. 59
31.03.2022		Rs. 63

Books are closed on 31st March every year.

Pass necessary Journal entries and show the extract of the Balance sheet.

Q. 3 (B) :

Following transactions were done by M/S Rumani & Co. for the year ended 31st March, 2022

<u>Date</u>	<u>Transaction</u>	<u>Ex. Rate per USD</u>
30.11.2021	Export of Goods worth USD 60,000 to M/S Jackson Ltd.	47
27.12.2021	Import of Goods worth USD 40,000 from Max Ltd.	48
13.01.2022	Received USD 25,000 from Jackson Ltd.	50
27.01.2022	Paid to Max Ltd. USD 20,000	49
19.02.2022	Received from Jackson Ltd. USD 25,000	45
31.03.2022	Paid USD 20,000 to Max Ltd.	49

Books are closed on 31st March every year.

Pass necessary Journal entries and show the extract of the Balance sheet.

Q. 4 (A)(i) :

M/S RR Association, a Non Trading Concern, has furnished following details about the Subscriptions from its members, for the year ended 31.03.2022. Show, how these information will be recorded in Income and Expenditure account and in the Balance sheet.

	<u>31.03.2021</u>	<u>31.03.2022</u>
Subscription outstanding, related to the particular year	12,000	10,000
Advance Subscription of the particular year	1,100	2,500

During the year 1,62,500 were received towards the Subscription, out of which 5,000 related to previous year's outstanding Subscription.

Q. 4 (A)(ii) :

M/S ZY Association, a Non Trading Concern, has furnished following details about the Subscriptions from its members, for the year ended 31.03.2022. Show, how these information will be recorded in Income and Expenditure account and in the Balance sheet.

Receipts		Payments
Subscription received, pertaining to		
2020-21	15,000	
2021-22	2,00,000	
2022-23	10,000	225000

There are 1800 members of the Association, paying Rs. 150 as Annual Subscription by each member.

Outstanding Subscription for the year ended 31.03.2021 was Rs. 21,000.

Q. 4 (B) :

From the following Receipts and Payment Account of a Club, prepare Income and Expenditure Account for the year ended 31.03.2022

Receipts and Payment Account for the y.e. 31.03.2022

Receipts	Amount	Payments	Amount
To Cash in hand	2,000	By Salaries	50,000
To Cash at Bank	1,00,000	By Stationary	2,000
To Subscriptions	1,52,400	By Electricity Expense	7,000
To Donations	36,000	By TT Table	50,000
To Interest on Investments	1,800	By Purchase of Investments	60,000
To Entrance Fees	18,000	By Sundry Expenses	6,000
To Interest received from Bank	6,300	By Purchase of Assets	1,25,000
To Sale of Old News Paper	900	By Insurance Premium	2,400
		By Cash in Hand	4,000
		By Cash at Bank	11,000
	3,17,400		3,17,400

Additional Information :

- a) Subscription in Arrears for the year ended 31.03.2022 amounted to Rs. 10,000 and Subscription received in Advance for the year ended 31.03.2022 amounted to Rs. 4,000.
- b) Insurance Premium prepaid as on 31.03.2022 amounted to Rs. 300
- c) Sundry Expenses Outstanding as on 31.03.2022 -Rs. 1,000
- d) 50% of the Entrance Fees are to be Capitalised.
- e) Donations are for creating Endowment funds.