

Time : 2 hrs.

CODE - CHAMARAJANAGAR

Marks : 50

- N.B.:**
- 1) Question No.1 carries 14 marks, and the remaining questions carry 12 marks each.
 - 2) Question No. 1 and Question No. 2 are compulsory.
 - 3) Question No. 3 contains internal option i.e. Q. No. 3 OR Q. No. 3 out of which any one is to be attempted.
 - 4) Similarly Question No. 4 also contains internal option i.e. Q. No. 4 OR Q. No. 4 out of which any one is to be attempted.
 - 5) In all, four questions are to be attempted i.e. Q. No. 1,2,3 and 4.

Q.1 On 1st January 2004, Shyam Ltd. purchased machinery from Ghanshyam Ltd. on Installment sale basis. The following were the terms of the installment sale contract.

- a) Cash down payment of Rs. 60,000 to be made by the buyer at the time of signing of the agreement on 1st January 2004.
- b) Four installments of Rs. 1,28,000, Rs. 98,000, Rs.70,000 & Rs. 44,000 payable by the buyer on 31st December 2004, 2005, 2006 and 2007 respectively.
- c) Interest to be charged by the seller @ 10% p.a. on outstanding balances of cash price.
- d) The cash price of the machinery was Rs.3,40,000

The entire transaction was duly completed. Shyam Ltd. provides depreciation on machinery @ 20% p.a. on the reducing balance method. The books of Shyam Ltd. are closed on 31st December every year.

Using "Interest suspense method", you are required to pass journal entries in the books of Shyam Ltd. for the four years 2004, 2005, 2006 and 2007 including year end closing entries and entries for payment.

Q.2 The following particulars have been extracted in respect of Material X. Prepare a store ledger Account for the month of January 2008, showing the receipts and issues and balance, pricing the material issued on the basis of weighted Average Basis.

Receipts :-

01-01-2008	Opening stock	400 units	at Rs 35 per unit
02-01-2008	Purchased	600 units	at Rs 40 per unit
14-01-2008	Purchased	900 units	at Rs 43 per unit
24-01-2008	Purchased	600 units	at Rs 38 per unit

Issues :-

04-01-2008	Issued	400 units	-----
16-01-2008	Issued	1200 units	-----
31-01-2008	Issued	600 units	-----

Q. 3 Sachin Co. Ltd. issued for public subscription 40,000 equity shares of Rs. 10 each at par payable as under.

- On Application : Rs. 2 per share
- On Allotment : Rs. 3 per share
- On First call : Rs. 3 per share
- On Final call : Rs. 2 per share

Applications were received for 60,000 shares. The company allotted 40,000 shares pro - rata to the applicants for 50,000 shares, the remaining applications were rejected and application money thereon was refunded Excess application money received from the pro - rata allottees was to be adjusted against their allotment dues.

All the amounts were duly received, except that Mr. X holding 800 shares could not pay the two calls and Mr. Y holding 1200 shares could not pay the final call. The shares held by X & Y were subsequently forfeited.

Thereafter, 800 shares previously held by X were reissued to Mr. Z @ Rs. 8 per share credited as fully paid.

Pass journal entries in the books of the company to record all the above transactions.

OR

Q. 3 Shri Pravin started business on 1-10-2007 under the name of M/s. Pravin & Co. He carried on the business in rented premises and decided to close its books on 31st December every year.

The following details of his transactions upto 31st December, 2007 are available.

Date	Particulars
01-10-07	Shri Pravin introduced cash Rs. 9,000 towards his capital.
01-10-07	Paid Rent for Oct, 07 Rs. 300.
03-10-07	Purchased Machinery for cash Rs. 1,500.
05-10-07	Purchased goods for cash Rs. 6,000
08-10-07	Purchased goods from Swapnil & Co. Rs. 3,450 on 2 months credit (Bill No.51)
11-10-07	Sold goods for cash Rs. 1,500
15-10-07	Goods returned to Swapnil & Co. Rs. 450 (Debit Note No. 1)
25-10-07	Paid Miscellaneous Expenses Rs. 120
03-11-07	Goods sold to Chetan & Co. Rs. 6,300 on 1 month's credit (Inv. No. 1)
07-11-07	Goods Returned by Chetan & Co. Rs. 300 (Credit Note No. 1)
29-11-07	Paid Rent for Nov. 07 Rs. 300
03-12-07	Received Rs. 6,000 Cash from Chetan & Co.
09-12-07	Paid Rs. 3,000 Cash to Swapnil & Co.
31-12-07	Depreciation to be provided on Machinery @ 10% p.a. on reducing balance method (JV No. 1)
31-12-07	Outstanding Rent for December 2007 Rs. 300 to be recorded (JV No. 2)

You are required to prepare the following subsidiary books to record all the above transactions

- a) Cash book
- b) sales Journal
- c) Sales Return Journal
- d) Purchase Journal
- e) Purchase Return Journal
- f) Journal Proper

Q. 4 Sameer Ltd. issued for public subscription 2000 13% Debentures of Rs.100 each for cash at a premium of Rs. 4 per debenture, payable as follows.

On Application : Rs. 25 per debenture

On Allotment : Rs. 29 per debenture (including premium Rs. 4)

On first call : Rs. 25 per debenture

On final call : Rs. 25 per debenture

Applications for 2400 debentures were received from the public However, only 2000 debentures were allotted, and application money on rejected applications was refunded in full.

Both the calls were duly made. All the sums due on allotment, and on the two calls were duly received.

Pass Journal Entries in the books of the company to record all the above transactions.

OR

Q. 4 Write short notes on (any Three)

- a) Issue of Bonus shares
- b) FIFO method
- c) Reissue of forfeited shares.
- d) Benefits of leasing to the lessee and lessor.
