

# SHREE NARAYANA COLLEGE OF COMMERCE AHMEDABAD

Name of the Department: ACCOUNTANCY

Subject: FINANCIAL ACCOUNTING 3

Class & Semester: FY BCOM SEM 2

Faculty Name: EZHAVA LEKSHMI

## ASSIGNMENT

### SECTION 1

**Q. 1** Discuss the future scope of the Automated Accounting Process.

**Q. 2** Discuss key components of Blockchain.

**Q. 3** Define Forensic Accounting and explain its objectives and methods.

**Q. 4** Explain in detail AI in Accounting.

**Q. 5** Write Short Notes on:

[a] Cost Accounting

[b] Environmental Accounting

**Note: Refer to all the Multiple-choice Questions from the reference book.**

### SECTION 2

**Q. 1** The Ascent Avenue Ltd, issued 2,50,000 equity shares of Rs. 10 each at a premium of 20%. The amount per share was called up as under:

On Application                      Rs 4

On Allotment                          Rs 6 (Including Premium)

On First & Final Call      Rs 2

The company received applications for 5,00,000 shares, out of which applications if 1,50,000 shares were fully rejected. Applications of 50,000 shares were fully accepted, and pro rata allotment was made to the remaining applicants. Excess application money was adjusted against allotment money.

Amit, who had been allotted 600 equity shares on a pro rata basis, could not pay the first and final call money. His shares were forfeited and were reissued at Rs 7 per share as fully paid.

Write the necessary journal entries in the books of Ascent Avenue Ltd.

**Q. 2** Maya Limited issued 20,000 equity shares of ₹ 100 each at par. Applications were received for double shares. Amount payable per share was as under:

On Allotment	Rs 30
On the first call,	Rs 25
On the final call,	Rs 25

Shares were to be allotted as under:

- 1) To refuse allotment to applicants of 12,000 shares
- 2) To give full allotment to applicants of 4,000 shares.
- 3) To allot the remaining shares pro rata among the remaining applicants.

Mamta, who was allotted 400 shares pro rata, failed to pay the money due on allotment and first call. So, her shares were forfeited after the first call and all the shares were reissued at Rs 70 per share as fully paid. Then the final call was made, which was fully paid.

Pass the necessary journal entries in the books of Maya Limited.

**Q. 3** Vedant Limited issued 30,000 equity shares of ₹100 each at a premium of ₹10 payable as under:

On Application	Rs 20
On Allotment	Rs 40(including premium)
On Call	Rs 50

Applications were received for 45,000 shares. Applicants of 40,000 shares were allotted shares on a pro rata basis, and the remaining applications were rejected. The excess money received on application was adjusted to the sum due on allotment.

Krishna, who was allotted 45 shares, failed to pay allotment money, so her shares were forfeited immediately after allotment.

Disha, who applied for 40 shares, failed to pay the call money and her shares were forfeited. Of the above forfeited shares, 80% shares were reissued as fully paid at ₹ 80, in which all shares of Krisha were included.

Pass the necessary Journal entries to record the above transactions in the book of Vedant Limited.

**Q. 4** Give Journal entries for the following:

A} Mansi Limited issued 5,000 equity shares of Rs 10 each at a premium of 20% to the public, payable Rs 6 on application (including premium), Rs 5 on allotment and the balance on final call. The company received an application for 7,500 shares, and allotment was made on a pro rata basis. Manali, to whom 1,500 shares were allotted, failed to pay the amount due on allotment. All her shares were forfeited after the final call. The forfeited shares were reissued to Nidhi at Rs 7 per share. Pass journal entries for the forfeiture and reissue of shares, and for the amount to be transferred to capital reserve.

B} Pratha Limited has issued 10,000 equity shares of Rs 10 each. On which Rs 2.50 has been called with application, RS 3 with allotment, and Rs 2 with the first instalment. A shareholder holding 2,000 shares could not pay the first instalment, and the shares were forfeited. Write a journal entry for the forfeiture of shares.

**Q. 5** Dipali Ltd. Issued 10,000 equity shares of Rs. 100 each at a premium of 20%. The amount called up per share was as under:

On Application	Rs 40
On Allotment	Rs. 50 (including premium)
On First Call	Rs. 15
On Final Call	Rs. 15

Applications were received for 20,000 equity shares, out of which applications for 2,000 shares were fully allotted. Applications for 2,000 shares were fully rejected, and pro rata allotment was made to the remaining applicants. The additional amount received on application was adjusted to Share Allotment A/c and Calls-in-Advance A/c.

Shri Brij had paid the entire amount of Rs. 120 per share at the time of application for his fully allotted 200 equity shares.

Shri Vaibhav, who applied for 400 equity shares, could not pay the first and final call on his allotted shares. His shares were forfeited.

Half of the shares forfeited were reissued to Jhanvi at Rs. 80 per share, and the remaining shares were reissued to Priyanka at Rs. 120 per share.

Pass the necessary Journal Entries in the books of the company.

**Note: Refer to all the Multiple-choice Questions from the reference book.**

### SECTION 3

**Q. 1** Ram Limited issued 5,000, 10% Debentures of Rs 100 each at a premium of 10%. Amount was payable as follows:

With Application	Rs 30 per debenture,
With Allotment (including premium)	Rs 50 per debenture,
With First and Final Call	Rs 40 per debenture

Applications were received for 6,000 debentures. Excess applications for debentures were rejected, and amounts thereon were returned. One debenture holder who was allotted 500 debentures failed to pay the first and final call money. Except for this, all sums due on debentures were received. Give Journal Entries in the books of the company.

**Q. 2** Give the necessary Journal Entries for the following

A] On 1-4-2018, Ruchita Ltd. issued 50,000, 10% debentures of Rs 100 each at 5 % discount, which were redeemed on 31-3-2024 at 10% premium. Pass necessary journal entries in the books of the company for the issue and redemption of debentures.

B] On 1-4-2020, Avishkar Ltd. issued 15,000, 6.5% Convertible Debentures of Rs 100 each at 5% discount. As per the terms of issue of debentures, all the debentures were to be converted into equity shares of Rs 10 each at a premium pf 25% after 4 years. On 1-4-2024, debentures were converted into equity shares as per the agreed terms.

**Q. 3** Atul Ltd. issued 25,000, 10% Debentures of Rs 1,000 each. Give journal entries for the issue of debentures in the following cases:

- (1) Issued at par and redeemable at 7.5% premium.
- (2) Issued at a discount of 10% and redeemable at 5% premium.
- (3) Issued at 5% premium and redeemable at 2.5% premium.

**Q. 4** Yash Ltd. issued 1,000, 12% Debentures of Rs 100 each. The money was payable as follows:

On Application	Rs 25
On Allotment	Rs 35
On First and Final Call	Rs 40

The company received applications for 1,200 debentures, of which excess applications were rejected, and the application money received on them was returned. The company received all amounts in time except for 100 debentures held by a debenture holder who could not pay the first and final call.

Write the necessary journal entries from the above transactions in the books of the company.

**Q. 5** Do as directed

A] New Bearings Ltd. issued 4,000, 12% Debentures of Rs 100 each at Rs 105 per debenture, which were to be converted into preference shares of Rs 100 each at Rs 125 after the expiry of 4 years. Write the necessary journal entries in the books of the company.

B] Discuss the difference between shares and debentures

**Note: Refer to all the Multiple-choice Questions from the reference book.**

#### SECTION 4

**Q. 1** The following items appeared in the trial balance of Usha Limited on 31-3-2019.

Particulars	Debit Balance (In Rs)	Credit Balance (In Rs)
Provision of Income Tax {1-4-2018}	---	60,000
Advance payment of Income Tax {1-7-2018}	53,000	---
Advance Payment of income tax (paid during the year 2018-19)	65,000	----

Assessment for the year 2017-18 has been completed during the year 2018-19, and tax liability is determined at Rs 53,000. Provision for income tax is to be made at Rs 70,000 for the year 2018-19. How would you show the above information in the final accounts of Usha Limited?

**Q. 2** The following are the balances extracted from the Trial Balance of Casamia Fabrics Ltd. as on 31-3-2025. Prepare the Balance Sheet per Part 1 of Schedule III of the Companies Act 2013.

<b>Particulars</b>	<b>Rs</b>
Plant & Machinery	5,40,000
8% Preference Share Capital	1,65,000
Loose Tools	48,900
Computer Software & Mobile Applications	24,975
Advertisement Suspense A/c	9,000
12 % Investments in Ascent Avenue Ltd	73,500
Office Furniture	1,44,180
Equity Share Capital	4,50,000
Bills Payable	8,550
Creditors for Expenses	10,800
Provision For Taxation	7,965
Spare Parts & Stores	30,060
Cash & Bank Balance	6,900
Debtors	57,000
Business Loan – Mortgaged	93,000
General reserve	1,24,500
Creditors for Goods	42,000
Cash- Credit	22,500
Accrued Interest on Investments	15,300
Staff welfare Fund	25,500

**Q. 3** From the following information, prepare notes to accounts for:

(1) Trade Payables (2) Other Current Liabilities, according to the Companies Act, 2013.

<b>Particulars</b>	<b>Rs</b>
Provision for Taxation	1,50,000
Bank Overdraft	30,000
Sundry Creditors	80,000
Outstanding expenses	10,000
Bills Payable	30,000
Unpaid Dividend	10,000
Outstanding Interest on Borrowings	35,000

**Q. 4** The following balances are extracted from the Trial Balance of A Ltd. as on 31<sup>st</sup> March 2019:

<b>Name of Accounts</b>	<b>Dr. (Rs)</b>	<b>Cr. (Rs)</b>
Provision for Income Tax (1-4-2018)	-----	20,000
Advance Payment of Income Tax (1-4-2018)	15,000	-----
Advance Payment of Income Tax (paid during current year)	20,000	-----
Income Tax Deducted at Source	1,500	2,500
Statement of Profit & Loss – Surplus (1-4-2018)	-----	3,000

Assessment in respect of Income tax of the previous year 2017-18 was completed during the current year, and the income tax liability of Rs 22,000 has been determined. Current Years profit of the company was Rs 50,000, and the company pays income tax at the rate of 50%.

From the above information, prepare the necessary ledger accounts and show their effects in the Final Accounts of the Company.

**Q. 5** Do as Directed:

A] Prepare a Balance Sheet of a company with imaginary figures as per the Companies Act, 2013.

B] Prepare Profit & Loss Statement of a Company with imaginary figures as per the Companies Act, 2013.

C] Give four items shown under the head ‘Contingent Liabilities and Commitments’ in the annual accounts of a company.

**Note: Refer to all the Multiple-choice Questions from the reference book.**

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