

Master of Commerce (M.Com.) Examination: May 2016
Semester: I Center for Distance Education

Day & Date	Semester	Subject Name	Time	Code
Monday 16/05/2016	I	Basics Finance & Accounts	11:00 A.M To 02:00 P.M	100005

Instructions: 1) Q. No. 1 is Compulsory
2) Attempt any three from Q No. 2 to Q No. 5

Q.1 Journalize the following transaction, carry out the posting in ledger and prepare Trial Balance in the books of Delta & co. **25**

- 2015 Commenced business with cash Rs. 120000
 April 1 Goods Rs. 60000 and Furniture Rs. 65000
 3 Opened a current account in Bank of India by depositing Rs. 75000.
 5 Cash purchase Rs.35000.
 9 Cash sales Rs. 55000
 10 Purchased goods worth Rs. 20000 from Amit.
 14 Credit sales to Kalpna Rs. 15000
 16 Paid cash to Amit Rs.19500 in full settlement.
 19 Goods distributed as free samples Rs. 1500.
 21 Received cash from Kalpana Rs. 4800 on account and allowed her cash discount Rs. 200
 26 Purchased shares of HDFC bank Rs. 15000
 29 Received goods returned by Kalpana Rs. 200
 30 Rent paid by cheque Rs.7000

Q.2 From the following Trial balance of Kalyan Ltd. as on 31st March 2015, prepare Trading Profit and Loss Account for the year ended 31st March 2015 and Balance Sheet as on that date. **25**

Trial balance as on 31st March, 2015

Particulars	Rs.	Particulars	Rs.
Stock on 1.4.2014	50000	Sales	190000
Purchases	119000	Return outward	1500
Return inward	3000	Discount received	2500
Wages	7750	Sundry creditors	52000
Insurance	1500	Capital	100000
Salaries	9400	Bank loan	30000
Rent & Taxes	5000	Bills payable	5000
Bad debts	1000		
Discount allowed	2000		
Machinery	25000		
Buildings	55000		
Sundry debtors	70000		
Advertisement	10000		
Carriage inward	2350		
Cash in hand	6000		
Cash at bank	8000		

Office expenses	2000	
Drawings	4000	
	<u>381000</u>	<u>381000</u>

Adjustment:

1. On 31st March, 2015 the stock was valued Rs. 30000
2. Outstanding wages Rs. 1250 and Rent Rs. 1000
3. Insurance was paid for the year ending 30th September 2015
4. Depreciate Machinery 10% and Building by 4% p.a.
5. Provide R.D.D. at 5% on Sundry Debtors.

- Q.3 a)** Compute the cost of debentures in respect of 13% debentures of Rs.100 each issued at par and redeemable after 5 years at 10% premium. Corporate tax rate is 40%. **08**
- b)** Delta Ltd. has Rs. 100 preference shares issued at par and redeemable at premium of 10% with 15 years maturity. The rate of dividend is 14%. Compute the cost at preference shares. **08**
- c)** The beta factor for equity shares of A Ltd. is 1.40, the risk free rate of interest on government securities is 12%. The expected rate of return on company is equity share 16%. Compute the cost of equity based on CAPM. **09**
- Q.4 a)** Explain valuation of material, work in progress and finished goods. **12**
- b)** Discuss the elements of cost in detail. **13**
- Q.5 Write short notes on any two.** **25**
- a)** Cost of capital
- b)** Accounting concepts
- c)** Type of cost
- d)** Valuation of stock