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ANSWER 1

In the books of Nisha

8% Bonds for the year ended 31st March, 2018

Date	Particulars	No.	Income Rs.	Amount Rs.	Date	Particulars	No.	Income Rs.	Amount Rs.
2017 1 April,	To Bank A/c	9,000	30,000	6,94,500	1 May 2017	By Bank- Interest	-	36,000	
Oct. 1 2017	To P & L A/c (W.N.1)	-	-	8,625	1 Oct. 2017	By Bank A/c	2,250	7,500	1,82,250
					1 Nov. 2017	By Bank- Interest		27,000	
2018 March 31	To P & L A/c		40,500						
					2018 Mar. 31	By Balance c/d (W.N.2)	6,750	-	5,20,875
		<u>9,000</u>	<u>70,500</u>	<u>7,03,125</u>			<u>9,000</u>	<u>70,500</u>	<u>7,03,125</u>

(4 MARKS)

Investment in Equity shares of Moon Ltd. for the year ended 31st March, 2018

Date	Particulars	No.	Income Rs.	Amount Rs.	Date	Particulars	No.	Income Rs.	Amount Rs.
2017 July 10	To Bank A/c	12,000	--	5,38,560	2018 March 15	By Bank – dividend *	-	23,760	
2018 Jan. 15	To Bank A/c (W.N. 3)	1,200	-	6,000	March 31	By Balance c/d (bal. fig.)	13,200	-	5,44,560
March 31	To P & L A/c	-	23,760						
		<u>13,200</u>	<u>23,760</u>	<u>5,44,560</u>			<u>13,200</u>	<u>23,760</u>	<u>5,44,560</u>

* Considering that dividend was received on right shares also.

(3 MARKS)

Working Notes:

1. Profit on sale of 8% Bonds

Sales price Rs. 1,82,250

Less: Cost of bond sold = 6,94,500/9,000x 2,250 (Rs. 1,73,625)

Profit on sale Rs. 8,625

2. Closing balance as on 31.3.2018 of 8 % Bonds

6,94,500/ 9,000 x 6,750= Rs. 5,20,875

3. Calculation of right shares subscribed by Moon Ltd.

Right Shares = $12,000/4 \times 1 = 3,000$ shares

Shares subscribed by Nisha = $3,000 \times 40\% = 1,200$ shares

Value of right shares subscribed = $1,200$ shares @ Rs. 5 per share = Rs. 6,000

4. Calculation of sale of right entitlement by Moon Ltd.

No. of right shares sold = $3,000 - 1,200 = 1,800$ rights for Rs. 4,050

Note: As per para 13 of AS 13, sale proceeds of rights are to be credited to P & L A/c.

(3 MARKS)

ANSWER 2

In the Books of M/s Delta

Departmental Trading and Profit and Loss Account for the year ended 31st March, 2018

Particulars	Deptt.X	Deptt.Y	Deptt. Z	Total	Particulars	Deptt.X	Deptt. Y	Deptt. Z	Total
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
To Stock (opening)	18,000	12,000	10,000	40,000	By Sales	90,000	67,500	45,000	2,02,500
To Purchases	66,000	44,000	22,000	1,32,000	By Stock (closing)	22,500	8,750	10,500	41,750
To Carriage Inwards	750	500	250	1,500					
To Gross Profit c/d (b.f.)	27,750	19,750	23,250	70,750					
	1,12,500	76,250	55,500	2,44,250		1,12,500	76,250	55,500	2,44,250
To Carriage Outwards	1,200	900	600	2,700	By Gross Profit b/d	27,750	19,750	23,250	70,750
To Electricity	1,500	1,000	500	3,000	By Discount received	900	600	300	1,800
To Salaries	10,000	8,000	6,000	24,000					
To Advertisement	1,200	900	600	2,700					
To Discount allowed	1,000	750	500	2,250					
To Rent, Rates and Taxes	3,000	2,500	2,000	7,500					
To Depreciation	400	400	200	1,000					
To Provision for Bad Debts @ 5% of debtors	375	250	250	875					
To Labour welfare expenses	1,000	800	600	2,400					
To Net Profit (b.f.)	8,975	4,850	12,300	26,125					
	28,650	20,350	23,550	72,550		28,650	20,350	23,550	72,550

(7 MARKS)

Working Note:

Basis of allocation of expenses	
Carriage inwards	Purchases (3:2:1)
Carriage outwards	Turnover (4:3:2)
Salaries	No. of Employees (5:4:3)
Advertisement	Turnover (4:3:2)
Discount allowed	Turnover (4:3:2)
Discount received	Purchases (3:2:1)
Rent, Rates and Taxes	Floor Space occupied (6:5:4)
Depreciation on furniture	Value of furniture (2:2:1)
Labour welfare expenses	No. of Employees (5:4:3)
Electricity expense	Units consumed (3:2:1)
Provision for bad debts	Debtors balances (3:2:2)

(3 MARKS)