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Total No. of Questions : 4]

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F. Y. B. Com. Examination - 2013

FINANCIAL ACCOUNTING

(New 2008 Pattern)

Time : 3 Hours]

[Max. Marks : 80

*Instructions :*

- (1) *All questions are compulsory.*
- (2) *Figures to the right indicate full marks.*
- (3) *Use of calculator is allowed.*

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**Q.1)** Objective type questions :

(a) State whether the following statements are **true** or **false** :

(Any Five)

[05]

- (i) On Dissolution of Partnership Firm the Assets are transferred on Debit Side of Realisation A/c.
- (ii) Accounting Standard - I is disclosure of Accounting Policies.
- (iii) All Cash Transactions are recorded on Receipt and Payment A/c.
- (iv) When Goodwill is raised on admission of a partner the Capital A/c. of old partners is credited in their old Profit and Loss Sharing Ratio.
- (v) The relationship of Consignor and Consignee is that of Debtor and Creditor.
- (vi) Discount on Bills Receivable discounted by Consignor is credited to Consignment A/c.
- (vii) All Nationalised Banks are the example of Non-trading Organisation.

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P.T.O.

(b) Fill in the blanks using appropriate words from the brackets :  
(Any Five) [05]

(i) The amount paid on the date of purchases of Assets on Hire-purchase Agreement is called as \_\_\_\_\_.

[Down Payment, Cash Payment, Bank Payment]

(ii) Appreciation in value of Asset, on Revaluation of Asset is \_\_\_\_\_ to Revaluation A/c.

[Credited, Debited, Ignored]

(iii) Surplus Capital Method is also called as \_\_\_\_\_.

[Proportionate Capital Method, Maximum Loss Method, None of these]

(iv) Excess of Minimum Rent over Royalty is called as \_\_\_\_\_.

[Short Working, Surplus, Profit]

(v) The Balance on Capital Account of deceased partner is transferred to \_\_\_\_\_.

[Executor's Loan A/c., Partner's Loan A/c., Current A/c.]

(vi) Delcredre Commission is paid to Consignee on \_\_\_\_\_.

[Cash Sales, Credit Sales, Total Sales]

(vii) Excess of Income over Expenditure of Non-trading Organisation is called as \_\_\_\_\_.

[Surplus, Deficit, Loss]

(c) Write short notes : (Any Two) [14]

(i) Difference between Hire-purchase and Instalment System

(ii) Tally Package

(iii) Accounting Standard - 2, Valuation of Inventories

(iv) Capital Receipts and Revenue Receipts, with examples

**Q.2)** A, B and C shared profits and losses in the ratio of 5 : 3 : 2 on 31-2-2011. When they decided to dissolve the firm, their Balance Sheet was as follows :

**Balance Sheet**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Creditors	30,000	Plant and Machinery	50,000
Bank Loan	20,000	Stock	24,000
General Reserve	10,000	Investment	60,000
Municipal Taxes	5,000	Debtors	20,000
Capital A/c. :			
A	50,000		
B	21,000		
C	18,000		
	<b>1,54,000</b>		<b>1,54,000</b>

The assets realised in instalment as follows :

1st Instalment Rs. 44,000

2nd Instalment Rs. 50,000

3rd Instalment Rs. 60,000

Provide Rs. 9,000 for realisation expenses out of the amount collected from instalment one and it was recorded that actual cost of realisation was Rs. 4,000.

**Prepare :**

- (a) Statement showing Surplus Capital
- (b) Statement showing Distribution of Cash under Surplus Capital Method

[14]

**OR**

**Q.2)** Following were the Balance Sheet of Megha and Varsha and Ram and Sham as on 31-03-2011 :

**Balance Sheet (31-03-2011)**

<b>Liabilities</b>	<b>Megha and Varsha</b>	<b>Ram and Sham</b>	<b>Assets</b>	<b>Megha and Varsha</b>	<b>Ram and Sham</b>
Creditors	25,000	30,000	Building	–	42,000
Loan A/c.	10,000	–	Plant	40,000	25,000
Bills Payable	–	9,000	Furniture	10,000	8,000
Outstanding Salary	1,000	900	Tools	3,000	5,000
Capital A/c.:			Stock	20,000	15,000
Megha	36,000	–	Debtors	12,000	11,000
Varsha	18,000	–	Cash	5,000	3,900
Ram	–	40,000			
Sham	–	30,000			
	<b>90,000</b>	<b>1,09,900</b>		<b>9,000</b>	<b>1,09,000</b>

Megha and Varsha shared profits and losses in the ratio of 2:1 and Ram and Sham were sharing profits and losses in the ratio of 3:2. The two firms decided to amalgamate the firms of following terms :

- (1) Outstanding Salaries were to be paid by the respective firms.
- (2) Furniture of both firms were not taken over by the new firm, Megha and Varsha sold furniture for Rs. 12,000 and Ram and Sham sold furniture for Rs. 7,000.
- (3) Tools of both firms not taken over by new firm and distributed to partners in their profit and loss sharing ratio.
- (4) Building was valued at Rs. 45,000.
- (5) Stock of Megha and Varsha was undervalued by Rs. 2,000 and Stock of Ram and Sham was overvalued by Rs. 3,000.

- (6) Debtors of Megha and Varsha include Rs. 2,000 bad debts. Debtors were taken over by new firm subject to 5% reserve for doubtful debts.
- (7) Loan was taken over by Megha and bills payable were taken over by Ram.

Close the Books of Megha and Varsha and Ram and Sham, also prepare amalgamated Balance Sheet. [14]

- Q.3) (A)** Sagar, Pravin and Prashant shared profits and losses in the ratio of 4:3:3. Their Balance Sheet as on 31-3-2012 was as follows :

**Balance Sheet**

Liabilities	Amt.	Assets	Amt.
Creditors	25,000	Cash in Hand	15,000
Bills Payable	15,000	Machinery	35,000
Mrs. Sagar Loan	10,000	Investments	25,000
General Reserve	10,000	Stock	25,000
Capital A/c. :		Debtors	20,000
Sagar	30,000	Bills Receivables	10,000
Pravin	25,000		
Prashant	15,000		
	<b>1,30,000</b>		<b>1,30,000</b>

The firm was dissolved on the date of Balance Sheet :

- (1) The assets realised as follows :  
Machinery Rs. 34,000, Investment Rs. 24,000, Stock Rs. 27,000, Debtors Rs. 18,000, Bills Receivables were taken over by Sagar and agreed value of Rs. 9,000.
- (2) Mrs. Sagar loan was taken over by Sagar.
- (3) Creditors and Bills Payable were paid at 5% discount.
- (4) Cost of realisation amounted to Rs. 2,000.

Close the Books of Partnership Firm, by opening necessary A/cs. [08]

- (B) Coal Company of Darbhanga leased coal mine to Assam Colliary Company Limited at a royalty of Rs. 2 per tonne subject to a minimum rent of Rs. 20,000 per annum with a provision to reduce the minimum rent proportionately for the period of stoppage of work during strike. The storkworkings if any can be recovered in first three years only. The output for four years from 2007 was follows :

2007 – 6,000 tonnes

2008 – 8,000 tonnes

2009 – 14,000 tonnes

2010 – 6,000 tonnes

During the year 2010 there was a strike for 6 months. Pass necessary journal entries in the Books of Assam Colliary Company Ltd. (Tenant) for 4 years.

[14]

- Q.4) Ashok Sports Club, Ashoknagar submit you like following Receipts and Payment Account for year ended 31-3-2011 :

**Receipts and Payments Account**

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Opening Balance :		By Upkeep of Ground	1,500
Cash	2,000	By Wages	4,000
Bank	5,000	By Salaries :	
To Subscription		2009-10 – 1,000	
Received :		2010-11 – <u>8,000</u>	9,000
2009-10 – 500		By Investments	10,000
2010-11 – 15,000		By Sport Materials	6,000
2011-12 – <u>1,000</u>	16,500	By Sport Match	
To Receipts from Sport Matches	6,000	Expenses	4,000

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Interest on Investment	1,000	By Telephone Bill	2,000
To Locker Rent	2,000	By Subscription	
To Entrance Fees	1,500	to Sport Magazine	2,000
To Donation for Construction of Gymkhana	8,000	By General Expenses	1,200
To Sale of Sport Material (Book Value 6,000)	5,000	By Closing Balance :	
		Cash	2,000
		Bank	5,300
	<b>47,000</b>		<b>47,000</b>

**Additional Information :**

- (1) On 1-4-2010, the club had Furniture Rs. 15,000, Sports Materials Rs. 20,000, Outstanding Subscription Rs. 1,500, Outstanding Salary Rs. 1,500, Investments Rs. 5,000.
- (2) Half of the Entrance Fees is to be capitalised.
- (3) For the year ended on 31-3-2011, the subscription of Rs. 3,000 is outstanding.
- (4) Salary Outstanding as on 31-3-2011 amounted to Rs. 1,000.
- (5) On Investment Rs. 500 interest is still to be received at the end of the year 2010-11.

You are required to prepare :

- (a) Income and Expenditure A/c.
- (b) Balance Sheet as on 31-3-2011

[20]

**OR**

**Q.4) (A)** Ratnakar of Ratnagiri consigned 100 tricycles to Prabhakar of Panji at a cost of Rs. 1,000 per tricycle. Ratnakar paid Rs.10,000 towards transportation and other charges. He also received a bill duly accepted by Prabhakar for Rs. 30,000. Ratnakar got bill discounted with bank for Rs. 29,500.

Prabhakar paid on receipt of consignment Rs. 4,000 towards freight and other charges. Prabhakar sold to tricycles for Rs. 1,300 each for cash and 30 tricycles Rs. 1,500 each on credit. Prabhakar is to get commission of 5% on total sales and 2% Del Cradre Commission. Prabhakar remitted balance due to him by bank draft.

You are required to prepare :

(a) Consignment A/c.

(b) Prabhakar A/c. in the books of Ratnakar [10]

**(B)** Arvind Ltd. purchased a machinery on Hire-purchase System from Natraj Ltd. at a cost of Rs. 60,000 on 1-1-2007. Arvind Ltd. paid Rs. 15,000 on the date of purchases and agreed to pay balance in 3 equal annual instalments of Rs. 15,000 each. The accounting year is closed on 31 December every year. The vendor charge interest @ 10% p.a. Arvind Ltd. decided to depreciate the machinery @ 15 % p.a. on Original Cost Method.

You are required to prepare :

(a) Natraj Ltd A/c. (Hire Vendor)

(b) Machinery A/c.

in the books of Arvind Ltd. [10]