

S.D.E.

F. Y. B. Com. Sem - I (CBCS 2018 Course) : SUMMER - 2019

SUBJECT: FINANCIAL ACCOUNTING-I

Day: Wednesday
Date: 10/04/2019

S-2019-4706

Time: 11.00 AM TO 02.00 PM
Max. Marks: 70

N.B:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of **CALCULATOR** is allowed.

- Q.1 What is Financial Accounting? Explain its scope and limitations. (16)
OR
- a) Explain Accounting Standard-I. (08)
b) State Limitations of Accounting Standards. (08)
- Q.2 Neel, Sunil and Pranil were in partnership sharing profits and losses in the ratio 2:2:1. The firm was dissolved on 31st March 2018 when its Balance sheet was as follows. (14)

Balance Sheet as on 31st March 2017

Liabilities	₹	Assets	₹
Capital		Building	18,000
Neel	13,000	Furniture	15,000
Sunil	10,000	Stock	3,000
Pranil	3,000	Debtors	8,000
Sunil's loan	5,000	Cash	2,000
Reserve fund	5,000		
Creditors	10,000		
Total	46,000		46,000

The firm was dissolved and assets were realized as follows.

Date	Amount
17 th April 2018	10,000
22 nd May 2018	15,000
6 th June 2018	9,000

Prepare the statement showing piecemeal distribution of cash as per Maximum loss method.

- Q.3 Surekha and Sunita were partners sharing profit and losses in the ratio of 3:2. (14)
Their Balance sheet as on 31st March 2018 was as follows.

Balance sheet as on 31st March 2018

Liabilities	₹	Assets	₹
Capital A/C		Cash in Hand	11,000
Surekha	43,600	Furniture	11,000
Sunita	32,400	Land and Building	50,000
Creditors	18,000	Plant and Machinery	20,000
Bills Payable	5,000	Debtors	7,000
Total	99,000		99,000

P.T.O.

The firm was dissolved on the above date and assets were realized as under.

- Furniture ₹ 10,000, Debtors ₹ 5,000, Plant and Machinery ₹ 16,000 and Land and Building ₹ 40,000.
- Surekha agreed to pay off bills payable.
- Creditors were paid off ₹ 16,000.
- Dissolution expenses were ₹ 1,000.

Prepare:

- Realization A/C
- Cash A/C
- Partners' Capital A/C

- Q.4** SM LTD was to purchase the business of Jyoti and Moti who were partners (14) sharing profits and losses in the ratio of 2:1 respectively. Their Balance sheet as on 31st March 2018 was as follows.

Balance sheet as on 31st March 2018

Liabilities	₹	Assets	₹
Partners' capital A/C		Goodwill	20,000
Jyoti	1,30,000	Land and Building	90,000
Moti	90,000	Machinery	50,000
Bank Loan	12,000	Stock	40,000
Bills Payable	15,000	Debtors	44,000
Creditors	32,000	Bills Receivable	17,000
		Investment	13,000
		Cash at Bank	5,000
Total	2,79,000		2,79,000

- The company took over all assets except Land and Building and Stock which were taken over at ₹ 1,00,000 and ₹30,000 respectively.
- Investments were sold by the firm for ₹ 12,000.
- The firm also discharged the loan Account.
- The company took over remaining liabilities.
- The value of Goodwill was fixed at ₹ 50,000.
- The purchase price was paid by the company in form of 20,000 Equity shares of ₹ 10 each and balance in cash.
- The Realization expenses amounted to ₹ 2,000/-

Prepare:

- Realization A/C
- Partners' capital A/C
- Bank A/C

Also show the working of purchase consideration.

- Q.5** Write short notes on **ANY THREE** of the following: (12)

- Conversion of partnership firm
- Accounting standard-9
- Reasons of dissolution
- Payment of liabilities under piecemeal distribution
- Merits of Financial Accounting

* * * * *