

S.D.E.

F. Y. B. COM. (2008 COURSE) : SUMMER - 2018  
SUBJECT: FINANCIAL ACCOUNTING – I

Day : Monday  
Date : 16/04/2018

S-2018-4165

Time: 11.00 AM TO 02.00 PM  
Max. Marks: 80

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable **CALCULATOR** is allowed.
- 4) Answers to both the sections should be written in **SAME** answer book.

SECTION – I

- Q.1 Jaya, Rekha and Hema were in partnership sharing profits and losses in the ratio of 2:1:1 respectively. They decided to dissolve the business on 31<sup>st</sup> March, 2017 on which date their Balance Sheet was as follows: [16]

Balance Sheet as on 31<sup>st</sup> March, 2017

Liabilities	Rs.	Assets	Rs.
Capital A/c:		Cash in Hand	20,000
Jaya	2,00,000	Debtors	1,80,000
Rekha	1,10,000	Stock	1,70,000
Hema	50,000	Plant and Machinery	1,30,000
General Reserve	40,000	Land and Building	3,10,000
Income Tax	20,000		
Creditors	2,34,000		
Bills Payable	1,56,000		
<b>Total</b>	<b>8,10,000</b>		<b>8,10,000</b>

The assets were realized as follows:

1 <sup>st</sup> Installment	Rs. 30,000
2 <sup>nd</sup> Installment	Rs. 4,22,000
3 <sup>rd</sup> Installment	Rs. 1,64,000
4 <sup>th</sup> Installment	Rs. 1,16,000

It was agreed that cash should be distributed as and when realized. Dissolution expenses were originally provided for an estimated amount of Rs. 10,000. The actual expenses amounted to Rs. 6,000 spent at last installment.

Prepare:

- a) The Statement Showing Surplus Capital.
- b) Statement Showing Distribution of Cash.

OR

Assam Colliary Company Ltd., took a coal mine on lease from coal company of Bengal at a Royalty of Rs. 2 per tonne subject to 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 short workings, if any can be recovered in the first three years only. [16]

The output for four years from 2013-14 was as follows:

Year	Output (Tonnes)
2013-14	6,000
2014-15	8,000
2015-16	14,000
2016-17	6,000

During the year 2016-17 there was a strike for 6 months. Prepare:

- a) Royalty Account
- b) Short working Account
- c) Coal Company Account in the books of Assam Colliary Company Ltd.

P.T.O.

- Q.2** Following is the Receipts and Payments Account of National Sports Club for [16]  
the year ending 31<sup>st</sup> March, 2017.

**Receipts & Payments Account for the year ended 31<sup>st</sup> March, 2017**

Receipts	Rs.	Payments	Rs.
To Opening Balance	41,600	By Salary	55,000
To Subscriptions:		By Lighting	10,000
2015 – 16                      4,120		By General Expenses	15,360
2016 – 17                      1,60,000	1,64,120	By Entertainment Expenses	25,800
To Donations	50,000	By Tax Paid	5,000
To Receipt from Entertainment	36,440	By Printing and Stationery	9,440
To Interest	3,240	By Expenses paid (2015-16)	24,000
To Entrance Fees	45,000	By Investment	1,20,000
		By Fixed Deposit	40,000
		By Closing Cash Balance	35,800
<b>Total</b>	<b>3,40,400</b>		<b>3,40,400</b>

**Additional Information:**

- a) There are 4,500 members each paying annual subscription of Rs. 40 per year.
- b) Outstanding salary is Rs. 5,000.
- c) On 1<sup>st</sup> April, 2016 the assets were – Building Rs. 40,000 and Furniture Rs. 46,000.
- d) Depreciate Building and Furniture by 10%.
- e) Interest on investments Rs. 2,000 is not yet received.
- f) Full Donation and half of the Entrance Fees are to be capitalized.
- g) Capital Fund is Rs. 1,27,000.

You are required to prepare Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2017 and Balance Sheet as on that date.

**OR**

Write short notes on the following:

[16]

- a) Objectives of Consumer Co-operative Society
- b) Objectives of Non-Trading Organization
- c) Royalty
- d) Order of Payment in Piecemeal Distribution of Cash

**SECTION – II**

- Q.3** On 1<sup>st</sup> April, 2011 Akshay purchased a xerox machine from Rahul Ltd., on hire [16]  
Purchase System. The terms and conditions of hire purchase were as follows:

- a) Cash price of xerox machine was Rs. 1,50,000.
- b) Akshay paid Rs. 20,000 on the signing of the contract.
- c) Akshay agreed to pay the remaining balance in five installments of Rs. 30,000 each payable annually on 31<sup>st</sup> March every year.
- d) Rahul Ltd. charged interest at 5% on yearly balance.
- e) Akshay decided to provide depreciation at 10% on Reducing Balance Method.

You are required to prepare:

- i) Xerox Machine Account.
- ii) Rahul Ltd. Account in the books of Akshay.

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- Q.4** Anil and Sunil were partners sharing profits and losses in the ratio of 3:1 and Vivek and Vijay were equal partners. Following were their balance sheets as on 31<sup>st</sup> March, 2017. [16]

Liabilities	Anil & Sunil	Vivek & Vijay	Assets	Anil & Sunil	Vivek & Vijay
Sundry Creditors	60,000	30,000	Sundry Debtors	30,000	25,000
Bills Payable	20,000	16,000	Bills Receivable	25,000	1,000
<b>Capital Accounts:</b>			Machinery	50,000	35,000
Anil	50,000	--	Land	40,000	10,000
Sunil	50,000	--	Furniture	6,000	10,000
Vivek	--	27,000	Stock	15,000	9,000
Vijay	--	27,000	Bank Balance	4,000	3,000
			Loose Tools	10,000	7,000
<b>Total</b>	<b>1,80,000</b>	<b>1,00,000</b>		<b>1,80,000</b>	<b>1,00,000</b>

The two firms amalgamated on the following terms:

- Land of Anil and Sunil was appreciated by 20% but machinery of both the firms were to be depreciated by 10%.
- Loose Tools of Anil and Sunil were revalued at Rs. 8,000 and that of Vivek and Vijay at Rs. 10,000.
- A reserve of 5% on Sundry Debtors was necessary for bad and doubtful debts of both the firms.
- Sundry Creditors of both the firms were taken by the firm at a discount of 2%.
- Furniture of both the firms were taken at 5% depreciation.

Close the books of both the firms and prepare Balance Sheet in the books of new firm.

**OR**

What is 'Amalgamation'? Explain the objectives and steps of amalgamation of partnership firms. [16]

- Q.5 A)** Anuja Prodcuts, Pune sent on consignment to Ameya Brothers of Mumbai 200 tables costing Rs. 500 each. The consignee were to be allowed a commission of 5% on sales. They accepted a bill of Rs. 30,000 at 3 months as an advance. The consigner discounted the bill immediately at 6% p.a. Anuja Products paid Rs. 3,000 for freight and Rs. 2,000 for wages on sending the goods. Ameya Brothers paid Rs. 4,000 for custom duties, wages etc. After two months Ameya Brothers sent an account sale stating that 140 tables were sold at Rs. 800 each and another account sale sent after a month. It was stated that the remaining tables were sold at Rs. 760 each. The consignee sent a bank draft for the balance after deducting their commission. [08]

You are required to prepare:

- Consignment Account and
- Ameya Brothers Account in the books of Anuja Products.

- B)** On 1<sup>st</sup> April, 2013 X Ltd., purchased a machinery of Rs. 50,000 and decided to depreciate it by annuity method in 4 years by charging 6% interest per annum. A reference to the annuity table shows that to depreciate Rupee one by annuity method in 4 years at 6% interest as sum of Re 0.288501 is required. [08]  
Prepare Machinery Account and Interest Account for 4 years.

**OR**

Write short notes on the following:

- Features of Consignment
- Difference between Hire Purchase and Installment
- Sinking Fund Method
- Del-credere Commission

[16]

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