

F.Y.B.COM. SEM – I (CBCS - 2016 Course) : WINTER - 2018

SUBJECT: FINANCIAL ACCOUNTING – I

Day: Friday
Date: 12/10/2018

W-2018-0262

Time: 11.00 A.M. TO 02.00 PM
Max. Marks: 60

N.B:

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

Q.1 A) Select most appropriate alternative from those given below and rewrite the (06) statements.

- a) Surplus capital method is also known as _____ .
 - i) Excess capital method
 - ii) Notional capital method
 - iii) Total capital method
 - iv) Actual capital method
- b) Accounting is often called as language of _____ .
 - i) Business
 - ii) Society
 - iii) Government
 - iv) Person
- c) Closing the business of partnership firm is known as _____ .
 - i) Admission
 - ii) Retirement
 - iii) Dissolution
 - iv) Amalgamation
- d) Accounting standard – 1 is related with _____ .
 - i) Depreciation accounting
 - ii) Valuation of Fixed Assets
 - iii) Valuation of inventories
 - iv) Disclosure of accounting policies
- e) Assets and liabilities are transferred to realization account at the _____ value .
 - i) Purchase
 - ii) Book
 - iii) Market
 - iv) None of these
- f) Depreciation value of assets is _____ to revaluation account.
 - i) Credited
 - ii) Debited
 - iii) Not recored
 - iv) None of these

B) Answer the following questions in one sentence each

(06)

- a) What is another name of Maximum Loss Method?
- b) Which account is opened at the time of Dissolution of partnership?
- c) Which accounting standard is related with Revenue Recognition?
- d) What is financial Accounting?
- e) What is conversion of partnership?
- f) Give any two reasons of Dissolution of partnership

P.T.O.

- Q.2 Prakash, Vikas and Akash were in partnership sharing profit and losses in the (12) ratio of 2:1:1. They decided to dissolve the business on 31st March 2017 on which date their Balance sheet was as follows.

Balance sheet as on 31st March 2017

Liabilities	Rs.	Assets	Rs.
<u>Capitals</u>		Cash	5000
Prakash	1,00,000	Debtors	90,000
Vikas	55,000	Stock	85,000
Akash	25,000	Plant and Machinery	65,000
General Reserve	20,000	Land and Building	1,55,000
Income Tax	5000		
Creditors	1,17,000		
Bills Payable	78,000		
	4,00,000		4,00,000

The assets were realized as follows.

Date	Amount (Rs)
21 st April 2017	15,000
15 th May 2017	2,11,000
30 th May 2017	82,000
15 th June 2017	58,000

It was agreed that cash should be distributed as and when realized.

Dissolution expenses were originally provided for an estimated amount of Rs. 5000. The actual expenses amounted to Rs. 3000 spent on 15th June 2017

Prepare:-

- Statement showing surplus capital
- Statement showing distributed of cash.

- Q.3 Umesh and Prakash were partners sharing profit and losses in the proportion (12) of 3:2 respectively. They dissolve their partnership firm on 31st March 2017 . When their financial position was as under.

Balance sheet as on 31st March 2017

Liabilities	Rs.	Assets	Rs.
Sundry creditors	7500		
Umesh's wife's loan	6000	Cash in hand	500
Profit and loss A/c	9000	Cash at Bank	1000
<u>Capital Account</u>		Debtors	33750
		(-) R.D.D.	3750
Umesh	69000	Stock	67500
Prakash	45000	Machinery	22,500
		Furniture	15,000
	1,36,500		1,36,500

The assets realized as under

- Goodwill Rs. 7500 stock Rs. 60,000 and Debtors. Rs. 27000.

P.T.O.

- b) Machinery was taken over by Prakash at Rs. 20000 and furniture by Umesh at Book value
- c) Umesh agreed to discharge his wife's loan
- d) The creditors were paid at a rebate of Rs. 1500.
- e) The expenses of dissolution amounted to Rs. 3000.

You are required to prepare

- i) Realization Account ii) Partner's Capital Account
- iii) Bank Account

Q.4 Suraj and Dhiraj sharing profits and losses equally. They decided to convert (12) their business into a limited company named SSM Ltd on 31st March 2017 When their Balance sheet was as under

Balance sheet as on 31st March 2017

Liabilities	Rs.	Assets	Rs.
Capital Account		Land and building	80,000
Suraj	10,2000	Plant and Machinery	60,000
Dhiraj	78,000	Furniture	10,000
Bills payable	10,000	Debtors	56,000
Creditors	50,000	Stock	20,000
		Bank	14,000
	2,40,000		2,40,000

- a) SSM Ltd agreed to take over all assets including Bank and Liabilities at the value stated below

Land and Building	Rs. 84,000	Debtors	Rs. 54,320
Plant	Rs. 50,000	Creditors	Rs. 49000
Furniture	Rs. 8680	Bills Payable	Rs 10,000
Stock	Rs. 16,000		

- b) The company issued 12,600 equity shares of Rs. 10 each at Rs. 12 per share and balance of purchase price is paid in cash

You are required to prepare

- i) Statement of purchase consideration
- ii) Realization Account
- iii) Bank Account
- iv) Partner's capital Account in the books of Suraj and Dhiraj

Q.5 Write short note on any THREE of the following (12)

- a) Accounting standard – 1
- b) Scope of financial Accounting
- c) Steps for payment in piecemeal distribution of cash
- d) Conversion of partnership firm
- e) Accounting standard – 9 .