

**F.Y.B.COM. SEM – I (2018 CBCS COURSE) : WINTER - 2018**

**SUBJECT : FINANCIAL ACCOUNTING – I**

Day : Wednesday  
Date : 10/10/2018

Time : 03.00 P.M. To 06.00 P.M.  
Max. Marks : 60

**W-2018-0251**

**N. B. :**

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

**Q. 1** What is Financial Accounting? Write limitations of Financial Accounting. **(12)**

**OR**

- a) Explain limitations of Accounting Standards. **(06)**
- b) Discuss Accounting Standard – II. **(06)**

**Q. 2** Ramesh, Mahesh and Suresh were partners sharing profit and losses in the ratio of 3:2:1 respectively. They decided to dissolve the firm on 31<sup>st</sup> March, 2018. Their Balance Sheet as on that date was as follows: **(12)**

Balance Sheet as on 31<sup>st</sup> March, 2018

<b>Liabilities</b>	<b>₹</b>	<b>Assets</b>	<b>₹</b>
Capital Accounts :		Debtors	35,000
Ramesh	22,500	Stock	30,000
Mahesh	18,000	Goodwill	9,000
Suresh	15,000	Machinery	15,000
Ramesh's loan	7,500	Furniture	10,000
Mahesh's loan	6,000		
Creditors	20,000		
Bills Payable	10,000		
<b>Total</b>	<b>99,000</b>	<b>Total</b>	<b>99,000</b>

The assets were realized as follows:

<b>Sr. No.</b>	<b>Date</b>	<b>Amount received</b>
1	30 <sup>th</sup> April, 2018	18,750
2	31 <sup>st</sup> May, 2018	20,250
3	30 <sup>th</sup> June, 2018	16,500
4	31 <sup>st</sup> July, 2018	37,500

You are required to prepare:

- i) Statement of surplus capital
- ii) Statement showing distribution of cash

**P. T. O.**

- Q. 3** Lal, Bal and Pal were carrying in business. Their profit sharing ratio was 5:3:2 (12) respectively. Their balance sheet as on 31<sup>st</sup> March, 2018 was as follows:

Balance Sheet as on 31<sup>st</sup> March, 2018

Liabilities	₹	Assets	₹
Sundry Creditors	20,500	Plant and Machinery	17,500
Bal's loan	4,500	Investments	2,800
General Reserve	20,000	Stock	28,000
Capital Accounts :		Debtors	18,000
Lal	18,000	(-) R.D.D.	1,000
Bal	8,000	Prepaid Insurance	400
Pal	3,500	Goodwill	5,000
		Cash at Bank	3,800
<b>Total</b>	<b>74,500</b>	<b>Total</b>	<b>74,500</b>

On this date the firm was dissolved and following was the result:

- i) The assets realized as under:

Investment	₹ 3,000
Stock	₹ 24,000
Debtors	₹ 12,000

- ii) Plant and Machinery was taken over by Lal at Book Value.  
 iii) Sundry Creditors and Bal's Loan were fully paid up.  
 iv) During the course of realization it was found that a bill of ₹ 3,500 previously discounted by the firm was dishonored and had to paid off.  
 v) Nothing was realized for goodwill.  
 vi) Realization expenses amounted to ₹ 400/

You are required to prepare :

- a) Realization A/c  
 b) Partners' Capital A/c  
 c) Bank A/c

- Q.4** Mayur, Nilesh and Rajesh were partners sharing profits and losses in the ratio (12) of 3:2:1 respectively. The Balance sheet of the firm as on 31<sup>st</sup> March, 2018 was as under:

Balance Sheet as on 31<sup>st</sup> March, 2018

Liabilities	₹	Assets	₹
Sundry Creditors	12,000	Cash at Bank	8,800
General Reserve	10,800	Debtors	30,000
Capital :		Stock	24,000
Mayur	45,000	Furniture	18,000
Nilesh	30,000	Plant and Machinery	32,000
Rajesh	15,000		
<b>Total</b>	<b>1,12,800</b>	<b>Total</b>	<b>1,12,800</b>

The partners of the firm decided to dissolve the firm and formed Krishna Ltd. to take over the business of the firm on the above date subject to following adjustments:

- i) The assets are transferred to Krishna Ltd. at following values:

Debtors	₹ 28,000
Stock	₹ 20,000
Plant and Machinery	₹ 40,000

- ii) Furniture was sold at ₹ 16,000/-
- iii) Krishna Ltd. valued the goodwill at ₹ 4,000/-
- iv) The creditors of the firm are to be transferred to new company at ₹ 11,200.
- v) Realization expenses amounted to ₹ 1,200/-
- vi) Purchase consideration is to be given in form of 7,200 shares of ₹ 10/- each and balance in cash.

Prepare necessary ledger accounts in the books of partnership firm.

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

- a) Reasons of Dissolution of Partnership Firm
- b) Accounting Standard – I
- c) Need of conversion of partnership firm
- d) Surplus Capital Method
- e) Scope of Financial accounting

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