S. D. E.

F. Y. B. Com. SEM-I (CBCS-2018 COURSE): WINTER- 2018 SUBJECT: FINANCIAL ACCOUNTING-I

Day: Thursday **Date:** 29/11/2018

W-2018-4316

Time: 2:00 P.M. TO 5:00 P.M

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? State nature and scope of Financial (16) Accounting.

OR

a) Write a note on Accounting Standard 9.

(08)

b) What are the objectives of Accounting Standard?

(08)

Q.2 Suvarna and Sujata were in partnership sharing profit and losses in the proportion of 3/5 and 2/5 respectively. On 31st March 2017 they decided to dissolve the firm when their Balance sheet was as under.

Balance sheet as on 31st March 2017

Liabilities	₹	Assets		₹
Sundry creditors	50,000	Debtor	1,25,000	
Bank overdraft	40,000	(-) R.D.D	25,000	1,00,000
Reserve fund	30,000	Stock		2,65,000
Capital A/C		Furniture		50,000
Suvarna	2,30,000	Motorcar		75,000
Sujata	1,50,000	Cash in hand		10,000
Total	5,00,000			5,00,000

a) The Assets were realized as follows:

Debtors ₹. 90,000

Stock ₹. 2,40,000

Goodwill ₹. 25,000

Motor car was taken over by Suvarna for ₹. 70,000 and

Furniture taken over by Sujata for ₹. 60,000.

- **b)** The creditors were paid ₹. 22,500 in full settlement.
- c) Expenses of Realization amounted to ₹. 10,000

You are required to prepare Realization A/c Partners' capital A/c and Cash A/c.

Q.3 Aarti, Bharti and Kirti were partners sharing profits and losses in the ratio of 3: 3: 2 respectively on 1st January 2017 their firm was dissolved. Their Balance sheet as on 31st December 2016 was as follows:

Balance sheet as on 31st December 2016

Liabilities	₹	Assets	₹
Partners' capital		Land	40,000
Aarti	48,000	Building	40,000
Bharti	30,000	Machinery	24,000
Kirti	18,000	Stock	30,000
Sundry Creditors	40,000	Debtors	10,000
Kirti's Loan	8,000		
Total	1,44,000		1,44,000

a) The assets were Realized gradually as follows.

Particulars	Amount
First Realization	65,000
Second Realization	42,000
Third Realization	20,000

- **b)** The Realization expenses amounted to ₹ 20,000. Prepare.
 - i) Statement showing surplus capital.
 - ii) Statement of distribution of cash.
- Q.4 Hemant, Pramod and Nikhil were partner's sharing profits and losses in the ratio of 3: 2: 1. Their Balance Sheet as on 31st March 2017 was as follows.

Balance sheet as on 31st March 2017

Liabilities	₹	Assets	₹
Partners' capital		Land and Building	20,000
Hemant	25,000	Plant and Machinery	15,000
Pramod	10,000	Stock in Trade	13,000
Nikhil	15,000	Debtors	22,000
General Reserve	12,000	Furniture	5,000
Creditors	10,000	Cash in hand	2,000
Bills payable	5,000		
Total	77,000		77,000

The partners agreed to sell their business to a limited company namely NP Ltd.

a) The company took the following assets at the values stated below:

Particulars	Amount
Land and Building	22,000
Plant and Machinery	12,000
Debtors	20,000
Stock	10,000
Furniture	6,000
Goodwill	10,000

- **b)** The limited company paid ₹ 28,000 in cash and balance in Equity Shares of ₹100 each.
- c) The creditors were paid off at a discount of 2.5%.
- **d)** Realization expenses amounted to $\stackrel{?}{\sim}$ 2,250.

Prepare:

- i) Realization A/C
- ii) Partners' capital A/C
- iii) Cash A/C
- iv) New company A/C

Also show the working of purchase consideration.

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

(12)

- a) Conversion of partnership firm
- b) Accounting standard-I
- c) Reasons of dissolution of partnership firm
- **d)** Purchase consideration
- e) Accounting standard-II