

S.D.E.

F. Y. B. COM. (2008 COURSE) : WINTER - 2017

SUBJECT : FINANCIAL ACCOUNTING - I

Day : Friday
Date : 27/10/2017

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

W-2017-3974

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** X, Y and Z are partners sharing profit and losses in the ratio of 3:2:1. They (16) decided to dissolve the firm with effect from 1st April 2017 when the firms Balance Sheet stood as follows.

Liabilities	Rs.	Assets	Rs.
Capital:		Land and Building	95,000
X	69,000	Plant and Machinery	45,000
Y	40,000	Furniture	20,000
Z	25,000	Stock	30,000
Sundry Creditors	90,000	Debtors	64,000
Bank Overdraft	30,000		
	2,54,000		2,54,000

The assets are realized gradually as follows:

1st Instalment Rs.79,000

2nd Instalment Rs.52,000

3rd Instalment Rs.70,000

Realization expenses were Rs.10,000.

Prepare :

- 1) Statement showing surplus capital
- 2) Statement showing distribution of cash.

OR

Suraj Mining Co. took a coal field on lease from Swapnil Brothers from (16) 1st April 2013. Royalty was Rs.2 per ton of coal taken out minimum rent was Rs.20,000 per year. Short workings were to be recovered within the first four years of the contract. The coal taken out during the first four years was as follows:

Years	Tons
2013-14	4,000
2014-15	7,000
2015-16	11,000
2016-17	17,000

You are required to show:

- 1) Royalty Account
- 2) Short working Account
- 3) Swapnil Brothers Account in the books of Suraj Mining Company.

P.T.O.

- Q.2** Given below is the Receipts and Payments Accounts of Shahu Sports Club for the year ending 31st March 2017. (16)

Receipts & Payments Account

Receipts	Rs.	Payments	Rs.
To Balance b/d	15,000	By Salary	12,000
To Entrance Fees	10,000	By General Expenses	3,500
To Subscription	40,000	By Insurance	500
To Donations	30,000	By Sports Material	35,000
To Interest on Investment	1,500	By Investment	30,000
To Sundry Receipts	3,000	By Bank Interest	18,000
To Interest on Bank Deposits	900	By Balance c/d	1,400
	1,00,400		1,00,400

Others assets on 1/4/2016 were- Premises Rs.1,50,000 and Sports Material Rs. 20,000.

Other Information:

- 1) Capitalize Donations and Entrance Fees.
- 2) Subscription was outstanding for the current year Rs.5,000 and Rs.1,500 are received in advance.
- 3) Insurance is prepaid Rs.150.
- 4) Charge 5% depreciation on Premises and 10% on Sports Material.
- 5) Capital fund as on 1st April 2016 was Rs.1,85,000.

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

OR

Write short notes on the following:

(16)

- a) Minimum Rent
- b) Credit Co-operative Society
- c) Difference between Receipts and Payments Account and Income and Expenditure Account.
- d) Piecemeal Distribution of Cash.

SECTION – II

- Q.3** Anjali purchased a machine from Kajal as on 1st April 2013 on Hire Purchase System. Following are the particulars regarding machine. (16)

- a) Cash price of machine Rs.5,00,000
- b) Amount to be paid on signing the agreement Rs.2,00,000.
- c) Balance amount to paid in three instalments of Rs.1,00,000 each plus interest.
- d) Interest to be charged on outstanding balance at 5% p.a.
- e) Depreciation is charged at 10% p.a. on Written Down Value Method.

You are required to prepare:

- a) Machine Account
- b) Kajal's Account and
- c) Interest Account in the books of Anjali.

- Q.4** Following are the Balance sheets of two firms M/s. P and Q and M/s. R and S (16)
as on 31st March 2017.

Liabilities	P&Q	R&S	Assets	P&Q	R&S
Sundry Creditors	38,000	15,000	Cash at Bank	22,500	8,000
General Reserve	4,000	-	Bills Receivable	3,000	-
Bills Payable	-	3,000	Debtors	16,000	10,000
Capitals:			Stock	20,000	9,000
P	30,000	-	Furniture	1,500	-
Q	16,000	-	Land and Building	25,000	18,000
R	-	20,000	Machinery	-	18,000
S	-	25,000			
	88,000	63,000		88,000	63,000

P and Q shares profits and losses in the ratio of 3:1 and R & S shares profits and losses in the ratio of 3:2. Both the firms agreed to amalgamate on the following terms on 1st April 2017.

- 1) Goodwill of the two firms was valued at Rs.20,000 and Rs.30,000 respectively.
- 2) Furniture was not taken over by the new firm. P agreed to take it over at Rs.1,350. Stock of M/s. P and Q was valued at Rs.19,200.
- 3) Land and Building of M/s. P and Q were sold just before amalgamation for Rs.30,000 and the proceeds of the same were to be retained for the business of the new firm.
- 4) Building of R and S was valued at Rs.25,000. Bills Payable were paid by that firm at a discount of Rs.100.
- 5) Stock of R and S was not taken over by new firm.
- 6) Reserve for Doubtful Debts was to be maintained at 5% on debtors of both the firms.
- 7) Reserve for Discount was to be maintained at 2% on Sundry Creditors of both the firms.

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

OR

What is 'Amalgamation of Partnership Firm'? What are the reasons for amalgamation of firms? (16)

- Q.5** a) Kapil consigned 200 machines to Nikhil costing Rs. 400 each and paid Rs.1,000 on transport charges and Rs.200 on insurance. Nikhil immediately sent Rs.10,000 by bank draft and accepted a bill of Rs. 25,000. Nikhil paid Rs.500 for carriage Rs.200 for octroi and Rs.600 for advertisement. He sold 100 machines at Rs.600 per machine and 50 machines at Rs.650 per machine. He is to get 5% commission on the total sales plus 5% extra commission on the amount which he receives in excess of Rs.500 per machine. Prepare Consignment Account and Nikhil's Account in the books of Kapil. (08)
- b) On 1st April, 2013 a company purchased a lease for Rs.40,000. The company decided to depreciate the lease by annuity method charging interest at 5% p.a. A reference to annuity table shows that to depreciate rupee one by annuity method over four years charging interest at 5% p. a. one should write off a sum of Re. 0.282012 every year. You are required to prepare Lease Account for four years. (08)

OR

Write short notes on the following: (16)

- a) Distinguish between Consignment and Sale
- b) Salient Features of Depreciation Fund Method
- c) Features of Hire Purchase System
- d) Del-credere Commission