

**BACHELOR OF COMMERCE (CBCS - 2018 COURSE)**  
**F. Y. B. Com. Sem-I :SUMMER- 2022**  
**SUBJECT : FINANCIAL ACCOUNTING-I**

Day : Tuesday  
Date : 5/7/2022

**S-18127-2022**

Time : 11:00 AM-02:00 PM  
Max. Marks : 60

**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? Explain advantages of financial accounting. (12)

**OR**

- a) Explain process for issue of Accounting Standard. (06)
- b) Write note on Accounting Standard 2. (06)

**Q. 2** Neeta, Pranita and Sunita were in partnership sharing profit and losses in the ratio of 3:2:1 respectively. They decided to dissolve their partnership with effect from 1<sup>st</sup> April, 2019 when their Balance sheet was as under: (12)

**Balance Sheet as on 31<sup>st</sup> March, 2019**

Liabilities	₹	Assets	₹
<u>Partner's Capital</u>		Land and Building	95,000
Neeta	69,000	Machinery	45,000
Pranita	40,000	Furniture	20,000
Sunita	25,000	Stock	30,000
Sundry Creditors	90,000	Sundry Debtors	50,000
Bills Payable	30,000	Cash	14,000
	<b>2,54,000</b>		<b>2,54,000</b>

The assets were realized gradually as follows:

Date	Amount ₹
April 2019	65,000
May 2019	52,000
June 2019	70,000

Prepare:

- a) Statement showing surplus capital.
- b) Statement showing Piecemeal Distribution of Cash.

**Q. 3** A and B were in partnership sharing profits and losses in the ratio of 3:2. They decided to dissolve the firm when their position was as under: (12)

**Balance Sheet as on 31<sup>st</sup> March, 2019**

Liabilities	₹	Assets	₹
A's Capital	20,000	Plant and Machinery	15,000
B's Capital	18,000	Stock	15,000
General Reserve	5,000	Sundry Debtors	22,000
B's Loan A/c	2,000	Cash	3,000
Sundry Creditors	10,000		
	<b>55,000</b>		<b>55,000</b>

**P. T. O.**

- a) The Assets realized as follows:
- i) Stock ₹ 14,000    ii) Debtors ₹ 20,000
- iii) Plant and Machinery ₹ 12,000
- b) The sundry creditors were paid at a discount of ₹1,500.
- c) The cost of dissolution amounted to ₹ 500.

Prepare Realization Account, Capital Account of partners and Cash Account.

- Q. 4** Rupa, Deepa and Seema were in partnership sharing profits and losses in the ratio 4:3:1. Their Balance Sheet as on 31<sup>st</sup> March, 2019 was as under. They decided to convert their firm into a limited company. (12)

**Balance Sheet as on 31<sup>st</sup> March, 2019**

Liabilities	₹	Assets	₹
Sundry Creditors	40,000	Land and Building	90,000
Bank Loan	20,000	Plant and Machinery	60,000
<u>Partner's Capital</u>		Sundry Debtors	75,000
Rupa	1,00,000	Stock	65,000
Deepa	75,000	Cash	10,000
Seema	65,000		
	<b>3,00,000</b>		<b>3,00,000</b>

The newly formed company took the following assets at the values agreed upon:

Assets	Amount ₹
Land and Building	1,10,000
Plant and Machinery	55,000
Sundry Debtors	70,000
Stock	60,000
Goodwill	20,000

The company also agreed to pay the creditors, which were agreed at ₹ 38,500.

The company paid ₹ 1,67,500 in fully paid shares of ₹ 10 each and balance in cash.

The expenses amount to ₹ 2,500.

You are required to prepare:

- a) Statement of Purchase Consideration.
- b) Realization Account
- c) Cash Account
- d) Partner's Capital in the books of the firm to give effect to the above scheme of conversion.

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

- a) Purchase Consideration
- b) Maximum Loss Method
- c) dissolution of partnership firm
- d) Limitations of Financial Accounting
- e) Reasons of Conversion