

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

Day : Wednesday

Time : 10:00 AM-01:00 PM

Date : 7/12/2022

W-18127-2022

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 are Accounting Standards? Explain Accounting Standard 1. (12)

OR

- a) Explain advantages of Financial Accounting. (06)
- b) Explain nature and scope of Financial Accounting. (06)

Q. 2 Surekha, Sonali and Supriya were partners in a firm sharing profit and losses in the ratio of 1:2:1 respectively. They decided to dissolve the firm when their position as on 31st December, 2019 was as follows: (12)

Balance Sheet as on 31st December, 2019

Liabilities	₹	Assets	₹
Partner's Capital		Plant and Machinery	50,000
Surekha	36,000	Furniture	20,000
Sonali	52,000	Stock	40,000
Supriya	16,000	Debtors	20,000
Creditors	15,000	Cash	10,000
Reserve Fund	16,000		
Tax	5,000		
	1,40,000		1,40,000

The assets were realized gradually and distributions were made as and when cash became available. The realization were made as follows:

Date	Assets Realised ₹
24 th January, 2019	21,000
22 nd February, 2019	8,000
31 st March, 2019	6,000

Realization Expenses were estimated at ₹ 3,000 but in March the actual expenses amounted to ₹ 1,000. Supriya become insolvent and could contribute ₹ 1,000 only from her private estate.

Prepare statement showing distribution of cash as per Maximum Loss Method.

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 31st 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		
	55,000		55,000

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** Rupesh Ltd., was to purchase the business of Jyoti and Moti who were (12)
partners sharing profits and losses in the ratio 2:1 respectively. Their Balance
Sheet as on 31st March, 2019 was as follows:

Balance Sheet as on 31st March, 2019

Liabilities	₹	Assets	₹
Partner's Capital		Goodwill	20,000
Jyoti	1,30,000	Land and Building	90,000
Moti	90,000	Machinery	50,000
Bank Loan	12,000	Stock	40,000
Bills Payable	15,000	Debtors	44,000
Creditors	32,000	Bills Receivable	17,000
		Investment	13,000
		Cash at Bank	5,000
	2,79,000		2,79,000

- a) The company took over all the assets at book value except land and building and stock which were taken over at ₹ 1,00,000 and ₹ 30,000 respectively.
- b) Investments were sold by the firm for ₹12,000.
- c) The firm also discharge the loan account.
- d) The company took over remaining liabilities.
- e) The value of goodwill was fixed at ₹ 50,000.
- f) The purchase price was paid by the company in form of 20,000 Equity Shares of ₹ 10 each and Balance in Cash.
- g) The realization expenses amounted to ₹ 20,000.

You are required to prepare:

- a) Realization Account
- b) Partners Capital Account
- c) New Company Account
- d) Cash Account

Also show working of Purchase Consideration.

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

- a) Preferential Creditors
- b) Scope of Financial Accounting
- c) Accounting Standard 2
- d) Reasons of Conversion of Partnership Firm
- e) Purchase Consideration