



RR-0335

First Year B. Com. (Honours) Examination
March / April – 2010
Financial Accounting

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="F. Y. B. Com."/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="Financial Accounting"/>	<input type="text"/>
Subject Code No. : <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="5"/>	<input type="text"/>
Section No. (1, 2,.....) : <input type="text" value="Nil"/>	<input type="text"/>
	Student's Signature

(2) Each question carries **equal** marks.

(3) Each question having **10** marks.

1 Write the answers as per the instruction : **10**

(a) Pass the necessary journal entries in the books of **2**
Head Office on 31.3.2008.

Goods worth Rs. 1000 sent by H.O. to Surat branch
on Dt. 28.3.08, which were received by branch on 4.4.08
after closing accounts on 31.3.2008.

(b) Tata Tea Co. has sent 1000 kg tea on consignment **3**
at Rs. 150 per kg. Consignor has paid the expenses
of Rs. 3000 and consignee has paid octroi Rs. 1000.
Fire took place in the godown of consignee and 100
kg of tea destroyed. The insurance company accepted
the claim of Rs. 10,000. Calculate abnormal loss and
pass journal entry in the consignor's book.

(c) Bill received from Anis for repairs to furnitures **2**
Rs. 300 and new furniture supplied for Rs. 1000
was entered in the purchase day book. Rectify
this error in our book.

- (d) A and B are partners sharing profits and losses in the ratio of 3:2 respectively. They admitted C with the condition that he will bring Rs. 10,000 as his share of goodwill. Find out new profit sharing ratio and pass the entry for goodwill. New profit sharing ratio is 3:2:1 respectively. 3
- 2 Mahesh purchased a machine on hire-purchase system. Cash price of the machine is Rs. 28000. He paid Rs. 5600 as downpayment and four instalments of Rs. 7000 each at the end of every year. Depreciation is charged at 10% p.a. on reducing balance method. 10
- Pass the journal entries for the first year in the books of hirer and vendor. Prepare machinery account for first three years in the books of Mahesh.
- 3 'A' of Surat consigned to 'B' of Baroda on 1.1.06 goods worth Rs. 80,000 and prepared a proforma invoice at 10% above cost. Rs. 4000 paid by him for freight. It was decided that B was to be paid commission at 4% on the invoice price of the sales made by him and 20% additional commission on the amount realised by him over the invoice price and 2% del credere commission on credit sales.
- On 4.1.06 'A' drew a four months bill for Rs. 20,000 on 'B', which was accepted by 'B'. This bill was discounted by 'A' for Rs. 18,800.
- On 30.9.06 'B' sent an account sales to 'A' and informed that goods of invoice price of Rs. 48000 had been sold by him for cash for Rs. 60000 and goods of the invoice price of Rs. 16000 had been sold on credit for Rs. 24,000 out of which goods Rs. 6000 had been sold on credit to 'C' on the recommendation and responsibility of 'A'. Goods of the invoice price of Rs. 4000 purchased by 'B' himself.
- 'B' paid Rs. 2000 as selling expenses. Goods of Rs. 2000 (invoice price) burnt by fire. This goods was sold by 'B' at Rs. 1600. 'C' became insolvent and 50% had been received from him.
- Prepare necessary accounts in the books of 'A'.

- 4 On 01.04.2005 A and B entered into Joint-venture sharing profits and losses in the ratio of 3:2. They deposited Rs. 50,000 and Rs. 30,000 respectively into the Joint Bank Account and decided that Joint Bank Account is to be used for purchase and sale, while joint venture expenses should be paid by each partner out of their private funds. 'A' is to be paid salary of Rs. 2000 per month and 'B' is to be paid commission at 5% on sales he affects.

A purchased goods worth Rs. 65000 and paid expenses Rs. 5000. B sold some of goods for Rs. 80,000 and paid selling expenses Rs. 1000. Unsold goods worth Rs. 20000 were taken over by A.

Accounts were settled on 31.3.2006. Prepare necessary accounts to record the above transactions.

- 5 Sachin, Sehvag, Gambir are partners sharing profits and losses in the ratio of 3:2:1. They decided to dissolve the partnership and to distribute the sell proceeds as and when realised. Their capitals were Rs. 100,000, Rs. 90,000 and Rs. 50,000 respectively. Sachin's loan and creditors were Rs. 90,000 in the ratio of 1:2 respectively. The assets realised as under :

Month	Stock Rs.	Furniture Rs.	Debtors Rs.	Dissolution Expenses Rs.
January	30,000	8,000	20,000	5,000
February	35,000	1,000	-----	2,000
March	15,000	-----	30,000	300
April	17,000	13,000	15,000	2,000

A bill receivable of Rs. 5000 maturing on 31st March was discounted by firm which was duly met by the acceptor on maturity. Show the distribution of cash among the partners by maximum loss method.

6 X and Y are partners having capitals of Rs. 2,80,000 and Rs. 1,40,000 in their profit sharing ratio. Interest on capital at 5% per annum and salary of Rs. 28000 per annum to 'Z' are available. They decided that

- (i) Manager 'Z' shall be taken as partner with a capital of Rs. 50,000, he being entitled to a salary of Rs. 52,500 per annum the excess over Rs. 28000 (the salary received by him as manager) to be borne by 'X' personally.
- (ii) 'Y' shall get salary of Rs. 35000 per annum.
- (iii) 'Z' shall be entitled to 1/10 share of profits and losses after charging interest on capital and partner's salary.
- (iv) Interest on capital is 5% per annum.

The net profit for the year ended on 31st December 2002 was Rs. 2,24,000 before charging interest on capital and partners' salary.

You are required to show the division of profit for the year ended on 31.12.2002. Show necessary calculation of profit also.

7 Write short notes : (any two)

- (i) Garner Vs Murray
- (ii) Joint Bank Account in Joint Venture
- (iii) Inter Branches transactions.
