



**K-2553**

**First Year B. Com. (Sem. II) (Honours) Examination**  
**October / November – 2012**  
**Financial Accounting**

Time : 3 Hours]

[Total Marks : 70

**Instructions :**

(1)

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવાહી 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="FIRST YEAR B. COM. (SEM. 2) (HONOURS)"/>	<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="2"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="3"/>	<input type="text"/>
Section No. (1, 2,.....): <input type="text" value="NIL"/>	<input type="text"/>
	Student's Signature

(2) Figures to the right indicate full marks of question.

- 1 (a) Krishna Ltd. has purchased one machine from Jeet ltd. 4  
on 1-4-11 on hire purchase agreement, paying cash  
Rs. 20,000 and agreed to pay further three instalments  
of Rs. 23,400, 21,600 and 19,800 respectively on 31<sup>st</sup>  
March every year. Compute the cash price with necessary  
calculations.
- (b) Preliminary accounts made by Navsari Branch on 4  
31-3-2011, showed a profit of Rs. 95,000. It was found  
that following items were not yet taken in to Account.
- (1) Cash remitted to head office, not yet received there  
Rs. 50,000.
- (2) Goods sent by head office, not yet received at  
Navsari Rs. 40,000.
- (3) Depreciation on branch assets (accounts kept in  
head office books) Rs. 12,000
- (4) Head office expenses charged to the branch  
Rs. 25,000.

Journalise the above in the books of Navsari Branch.  
Also show how much the real profit at Navsari.

- (c) A, B, C and D were in partnership sharing profits and losses in the ratio of 4 : 3 : 2 : 1. A retired, B, C and D shares the future profit and losses equally. Calculate the gaining ratio **3**
- (d) A and B are partners sharing profit and losses in the ratio of 3 : 2. They take C into partnership for 1/4 share in the business. Calculate new profit sharing ratio. **3**
- 2** (a) The account sales received from an agent disclosed that the total sales effected by him during 2010-11 amounted to Rs. 4,50,000. This included Rs. 3,12,500 for sales made at Invoice price which is cost plus 25% and the balance at 10% above the invoice price. He incurred expenses to the tune of Rs. 5,000 out of which a sum Rs. 1,800 is recurring in nature. Forwarding expenses of consignor totalled Rs. 2,400. The agent has remitted the balance due from him through bank draft after deducting the expenses, 5% commission on gross sales, Bad debts Rs. 850 and bills payable accepted by him Rs. 10,000. The value of unsold stock at original cost lying with the agent, as on 31-3-11 amounted to Rs. 50,000. Prepare consignment account. **7**
- (b) Anjali and Babita were partners in a joint venture sharing profit and losses in the ratio 4 : 1. Anjali supplies goods to the value of Rs. 50,000 and incurs expenses amounting to Rs. 5,400. Babita supplies goods to the value of Rs. 14,000 and her expenses amount to Rs. 800. Babita sells the goods on behalf of Joint venture and realises Rs. 92,000. She is entitled to a commission of 5% on sales. Babita settles her account by bank draft. Give journal entries in the books of Anjali. **7**

- 3 The following is the trial balance of Desai education society 14  
as at 31-3-2011.

Debit	Amt. (Rs.)	Credit	Amt. (Rs.)
Cash in hand	500	Capital Fund	45,600
Cash at bank	2,100	Subscriptions received	
Fixed deposit @ 6% Government securities	10,000	2009 - 2010	2,400
		2010 - 2011	32,300
		2011 - 2012	1,700
Prize fund 10,000		Grants from Govt.	24,000
Others <u>40,000</u>	50,000	Prize Fund	10,000
Scholarship awarded	48,000	Interest on	
Prizes awarded	300	Govt. Securities	2,000
Salaries	9,100	Life Membership	
Rent	2,100	received	6,000
Misc exp.	1,900	Salaries out standing	
Stationery on hand	500	1-4-10	1,500
Subscriptions out standing 1-4-10	2,100	Subscriptions received in advance 1-4-10	600
		Entrance fees	500
	<b>1,26,600</b>		<b>1,26,600</b>

Subscriptions still receivable for the year ended 31-3-11 total Rs. 3,600. Salaries due but not yet paid totalled Rs. 1,300 on 31-3-11. Rs. 2,100 are still payable for scholarship for 2010-11. The fixed deposit was made on 1-1-11.

Prepare the Income and expenditure account for 2010-11 and the accompanying balance sheet.

- 4 A, B and C are partners sharing profit and loss in the ratio 5 : 3 : 2. They decide to dissolve the partnership firm on 1-7-11. Their balance sheet on that date is as follows : 13

Liabilities	Amt. (Rs.)	Assets	Amt. (Rs.)
Capital A/c		Fixed Assets	6,75,000
A    3,30,000		Current Assets	2,17,500
B    1,66,500		Cash and Bank	30,000
C <u>88,500</u>	5,85,000		
General Reserve	45,000		
A's loan	75,000		
B's loan	37,500		
Creditors	1,05,000		
Bank overdraft	75,000		
	<b>9,22,500</b>		<b>9,22,500</b>

Assets realised as follows :

1 <sup>st</sup> Installment (1-9-11) .....	Rs. 1,51,500
2 <sup>nd</sup> Installment (1-10-11) .....	Rs. 1,26,000
3 <sup>rd</sup> Installment (1-11-11) .....	Rs. 1,17,000
4 <sup>th</sup> Installment (1-12-11) .....	Rs. 2,70,000

Additional Information :

- (1) Contingent liability is estimated at Rs. 15,000. Which is paid for Rs. 12,000 at the time of 3<sup>rd</sup> installment.
- (2) Dissolution expenses were estimated at Rs. 7,500 but actual dissolution expenses incurred were Rs. 6,000.
- (3) A bill of Rs. 15,000 due on 15-11-11 was dishonoured.

Prepare statement showing piecemeal distribution of cash according to the maximum loss method.

- 5 Write short notes : (any **three**) 15

- (1) Stock and debtor system.
- (2) Joint life policy
- (3) Accounting standards in India
- (4) Hire purchase and Instalment purchase system.