



UA-0626

First Year B. Com. (Hons.) Examination
February/March – 2012
Financial Accounting

Time : 3 Hours]

[Total Marks : 70

Instructions :

(1)

नीचे दृष्टावेव निशानीवाणी विगतो उत्तरवडी पर अवश्य लपनी. 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. (HONS.)"/>	<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="6"/> <input type="text" value="2"/> <input type="text" value="6"/>	<input type="text"/>
Section No. (1, 2,.....): <input type="text" value="Nil"/>	<input type="text"/>
	Student's Signature

(2) Each question carry 10 marks.

- 1 (a) Surat Tea Ltd. has sent 1000 kgs tea on consignment at Rs. 200 per kg. Consignor has paid Rs. 5,000 as expenses. Consignee also paid Rs. 2,000 as octroi. Fire broke into consignee's godown and destroyed 100 kg of Tea. The Insurance Co. has accepted claim for Rs. 8,000. Calculate abnormal loss and pass journal entry. 4
- (b) X & Y are partners sharing profit and losses in the ratio of 2:1 in the Joint Venture. X keeps the accounts of the venture. Y gave Rs. 15,000 to X for joint venture business. X prepared accounts and shown profit Rs. 2,250. At last X settled Y's account. Write journal entries of these transaction in the books of 'Y'. 3
- (c) Pass necessary journal entries to record the following transactions in the books of the Head Office. (Accounting year ending on 31st March every year). 3
- (i) Goods worth Rs. 800 transferred from branch A to branch B under the instruction from Head Office.
- (ii) Depreciation on fixed assets of Rs. 500 used by 'A' branch, the account of which is maintained by Head Office.
- (iii) A remittance of Rs. 1,000 made by 'B' branch to H.O. on 26.3.2006 but the same received by H.O. on 4.4.2006.

- 2 From the following income and expenditure account of a club, you are required to prepare receipts and payments A/c. for the year ending 31.3.2006.

<i>Expenditure</i>	<i>Rs.</i>	<i>Income</i>	<i>Rs.</i>
To Lawn maintenance	4,060	By subscription	10,500
To Rates	500	By Admission fees	600
To Stationary (depreciation)	150	By Sports material (sale of material)	100
To Depreciation on sports material	2,200	Entertainment	600
To Honorarium	440		
To Excess of Income	4,450		
	11,800		11,800

Additional Information :

<i>Particulars</i>	<i>on 31.3.05</i>	<i>on 31.3.06</i>
Cash	6,000	-
Stock of sports materials	3,000	-
Tournament fund(net)	-	600
Donation for Building	-	20,000
Subscription due	1,000	1,500
Stock of stationary	400	-

Stationary was written off by 25% and sports material by 50%.

- 3 Amit and Sunil entered into joint venture to underwrite 20,000 equity shares of 10 each of Jet Ltd. They agreed to pay all expenses upto allotment and to share profit in the ratio of 3:2. The company agreed to issue 2,400 other equity share of Rs. 10 each fully paid as underwriting commission.

Amit provided cash to pay expenses Rs. 6,500. Sunil also paid Rs. 5,500 as expenses.

When the subscription list was closed, it was found that applications were received only for 17,000 shares. Amit provided the necessary cash to take up the shares not subscribed by public.

The company issued the necessary shares as underwriting commission, which were sold at Rs. 12.50 per share less brokerage at 0.50 paise per share. Amit received the proceeds of 3,000 shares and Sunil received the sale proceeds of the remaining 2,400 shares. The partners settled their accounts.

Give necessary accounts in the books of Amit and Amit's A/c in the books of Sunil.

- 4 A, B and C are partners sharing profit and losses in the ratio of 2:2:1. The firm was dissolved on 31.12.08. Their B/S on that day was as under :

<i>Liabilities</i>		<i>Rs.</i>	<i>Assets</i>		<i>Rs.</i>
Capital A	2,20,000		Goodwill		60,000
Capital B	<u>1,00,000</u>	3,20,000	Building		2,00,000
Creditors		1,80,000	Furniture		80,000
Bills Payable		10,000	Debtors	1,00,000	
Arti's loan		50,000	-BD Res.	<u>10,000</u>	90,000
Bank Overdraft		1,00,000	P&L Account		1,00,000
			Capital A/c of C		1,00,000
		<u>6,60,000</u>			<u>6,60,000</u>

Particulars regarding dissolution were as under :

- (i) Assets realized as under
Building Rs. 1,20,000, Debtors Rs. 60,000
- (ii) A agreed to take over furniture at Rs. 40,000.
- (iii) B agreed to pay bank overdraft.
- (iv) The creditors and bills payable were settled by paying 90%.
- (v) Dissolution expenses amounted to Rs. 20,000. Unrecorded liability Rs. 9,000 was paid.
- (vi) C was declared insolvent and only Rs. 20,000 is recovered from him.

Prepare necessary accounts according to Garner V/s Murray decision.

- 5 (a) A firm is to be converted into a company. From the following balances, and details you are requested to calculate net assets :

Capital-18,000 Reserve-2,000 Creditors-6,000
Overdraft-1,000 Sundry Assets-20,000 Debtors-5,000
Bank Balance-2,000

The company does not take over creditors and debtors. Assets are valued at 10% above.

- (b) X and Y sharing profits in the ratio of 7:3. They admit Z on $\frac{3}{7}$ share in new firm, which he takes $\frac{2}{7}$ from X and $\frac{1}{7}$ from y. Calculate new ratio of partners. Write journal entry if Z Rs. 9,000 as goodwill.

- 6 Madras Head Office sent goods to its Surat branch at invoice price, which is 20% less than the catalogue price. Catalogue price is cost plus 50% cash sales were to be made at Invoice price and credit sales at catalogue price. Discount on credit sale at 15% on prompt payment will be allowed.

From the following particulars, prepare branch trading and profit and loss account for the year ended on 31.3.02 in the books of H.O. Also prepare stock account and Debtors A/c.

<i>Particulars</i>	<i>Rs.</i>
Stock at invoice price (1.4.01)	12,000
Goods received from Head office (invoice price)	1,32,000
Debtors (1.4.01)	10,000
Cash Sales	46,000
Credit Sales	1,00,000
Cash received from debtors	85,635
Discount allowed to debtors	13,365
Expenses at branch	6,000
Remittances to Head Office	1,20,000
Debtors (31.3.02)	11,000
Cash in hand (on 31.3.02)	5,635
Stock (invoice price) (31.3.02)	15,000

Part of the stock at branch was lost by fire during the year, its value is to be ascertained. Provision should be made for discount to be allowed to debtors as on 31.3.02 on the basis of the years trend of prompt payment.

- 7 Write short note :
- (i) Normal and abnormal loss in consignment
 - (ii) Goodwill on retirement of a partner
 - (iii) Maximum Loss method.