

1805000501020001
EXAMINATION DECEMBER 2024
BACHELOR OF COMMERCE -BACHELOR OF LAW
(HONORS) 5 YEAR INTERATED COURSE (FIRST SEMESTER)
FINANCIAL ACCOUNTANCY - I - LEVEL 2

[Time: As Per Schedule]

[Max. Marks:70]

Instructions:

1. Fill up strictly the following details on your answer book

- a. Name of the Examination: **BACHELOR OF COMMERCE -
BACHELOR OF LAW (HONORS) 5 YEAR INTERATED
COURSE (FIRST SEMESTER)**
 - b. Name of the Subject: **FINANCIAL ACCOUNTANCY-I-
LEVEL 2**
 - c. Subject Code No: **1805000501020001**
2. Each Question carry Equal Marks.
 3. Figures to the right indicate marks of questions.
 4. Working notes should form part of answer.
 5. Simple pocket calculator is permitted.

Seat No:

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Student's Signature

Q.1 Do As Directed

1) Taral and Akash entered into joint venture. They purchased goods worth of Rs. (5)
1,87,500 of which R.1,68,750 goods are sold by Rs 2,25,000. The unsold goods was
taken by Taral, yielding a gross profit at half the average rate made on sales. Write
journal entry in the books of Akash.

2) From the following information, find out the amount of goodwill on the basis of 3 (5)
year's purchase of weighted profit

Year	Profit (Rs.)
2019-20	80,000
2020-21	1,20,000
2021-22	1,40,000
2022-23	1,60,000
2023-24	1,70,000

3) Explain difference between Non-current liabilities and current liabilities (4)

- Q.2** Prepare Balance Sheet of Kausal Limited as per Companies Act 2013, with the help of following Trial Balance as on 31/3/2024. **(14)**

Particulars	Amount	Particulars	Amount
Advance to Employees	3,00,000	Equity Share Capital	52,00,000
Cash At Bank	3,14,320	Capital Reserve	60,000
Furniture And Fixtures	7,50,000	Loan from SBI	8,00,000
Premises	41,09,940	Short Term Loan from Bank	4,90,200
Patents	10,00,000	Proposed Dividend	164,000
Discount on issue equity shares	25,000	Provision for Employees Welfare Fund	6,00,000
Trade Receivables	3,66,240	Unpaid Dividend	64,800
Advance Tax	50,000	Profit and Loss Account	42,980
8% Government Bond	3,36,000	Bills Payable	85,100
Stock in Trade	3,55,600	Sundry Creditors	100,200
	76,07,100		76,07,100

OR

- Prepare Balance Sheet of Dhavan Limited as per Companies Act 2-13, with the help of Balances as under. **(14)**

Particulars	Amount	Particulars	Amount
Plant and Machinery	6,00,000	Immovable Property	10,00,000
8% Debentures	8,00,000	Public Deposit	5,00,000
Employees Provident Fund	1,30,000	Provision for Taxation	1,80,000
Securities Premium	80,000	Drafts on Hand	5,00,000
Cash at Bank	34,000	Bills Receivable	2,40,000
24000, Equity Share of Rs. 100 each, Rs. 50 paid up	12,00,000	Brokerage on issue of shares	1,50,000
Creditors	1,16,000	Bank over draft	1,50,000
Loan to Manager	70,000	Securities Deposit	1,24,000
Deposit with ICICI bank	1,98,000	Trademark	1,80,000
		Prepaid insurance	1,00,000

- Q.3** Patel, Pancholi and Shah entered into Joint Venture on 1-1-2023 on the condition to share profits and losses in the ratio of 5: 3: 2 to build a Town Hall for Nadiad Municipality at a price of Rs. 10, 00,000. They contributed Rs. 8, 00,000 in the profit sharing ratio and deposited the amount in the joint bank account. They paid a deposit at 2% of tender price. Details regarding the expenses of joint venture are as under. Following payments were made from joint bank account: **(14)**

Material	Rs. 4, 00,000	Wages	Rs. 2,00,000
Sub-contract	Rs. 1,00,000	Plant and Machinery (Purchased on 1-4-2023)	Rs. 50,000

Patel paid Rs. 20,000 for architect's fees. Pancholi brought materials worth of Rs. 30,000 from his personal stock. Shah brought his personal truck of the value of Rs. 40,000 into business on 1-7-2023.

Construction was completed on 31-3-2024. Shri Shah took over surplus materials for Rs. 15,000. Machinery and truck are subject to depreciation of 20%. Machinery and Truck are taken over by Patel at Rs. 35,000 and by Pancholi Rs. 30,000 respectively.

A cheque of Rs. 8, 50,000 and Municipal Bonds of the value of Rs. 1, 50,000 were received towards contract price. Half the amount of deposit was deducted as a penalty for late completion and the remaining amount was returned. The market value of bond was Rs. 1, 20,000 and it was taken over by all partners equally.
Prepare Joint Venture Account and Joint Bank Account.

OR

Kajol and Ajay agreed to construct Community Hall. They decided to share profits or losses as 10: 6 respectively. A bank account is opened in which Kajol and Ajay deposited RS. 8,00,000 and ₹6,00,000. The contract prize was agreed at Rs. 36,00,000 payable by 70% cash and the balance 30% by debentures.

(14)

Amount paid as a expenses from their joint bank account

Architecture fees	Rs.2,00,000
Material	Rs.15,00,000
Wages	Rs.4,60,000

Material of Rs.260000 supplied by Kajol from her stock and paid Rs. 244 for carriage. Remuneration of Rs.72000 is paid to Ajay for his supervision work. Contract Price was received as per agreement on completion of the contract. Debentures of Rs.6,00,000 were sold at 20% discount and remaining debentures were purchased by Kajol at half the price Prepare Necessary Ledger Accounts.

Q.4 Balance Sheet of Sarnath Ltd. as on 31.03.20

(14)

Liabilities		Amount	Assets		Amount
Equity share capital		8,00,000	Building (At cost)		2,60,000
10 % Pref. share capital		2,00,000	Furniture		20,000
Reserve & surplus		3,00,000	Investment		
Profit and Loss A/c			5 % Gov. Security (Face value 8,00,000)		7,60,000
2010-11	1,60,000		Stock (Market value)		9,00,000
2011-12	8,60,000	10,20,000	Debtors	5,00,000	
Depreciation Fund			Less: BDR	40,000	4,60,000
Building	40,000		Bills receivable		20,000
Investment	70,000	1,10,000	Cash and bank		70,000
Creditors		70,000	Preliminary expense		10,000
		25,00,000			25,00,000

Additional information :

- Market value of building is Rs. 4,50,000.
 - Companies engaged in the similar business earns 20% profit on market value of shares.
 - Last 3 years' profits is increasing every year by Rs. 60,000.
 - Profit for the year 2023-24 which is given is before tax. Consider tax rate 50%.
 - Assign weightage 1,2 and 3 for the given three year's profit respectively.
- From the above information calculate goodwill on the basis of three years of purchase of super profit.

OR

Balance Sheet of Aashish Ltd. as on 31.03.2024

(14)

Liabilities	Amount	Assets		Amount
Equity share capital	2,50,000	Goodwill		15,000
10 % Pref. share capital	2,30,000	Building	2,02,000	
General Reserve	80,000	-Dep.	10,000	1,92,000
12% Debentures	2,50,000	Plant	3,46,000	
Profit and Loss A/c	40,000	-Dep.	58,000	2,88,000
Creditors	1,94,000	Furniture	20,000	
Bills Payable	8,000	-Dep.	5,000	15,000
Provident Fund	40,000	Investment		
Outstanding Expense	3,000	PF inv.	40,000	
		10% Deb. (MVRs.1,00,000)	90,000	1,30,000
		Stock		1,52,000
		Debtors	2,40,000	
		Less: BDR	14,000	2,26,000
		Bills Receivable		44,000
		Cash and Bank		24,000
		Prepaid Expense		6,000
		Preliminary Expense		3,000
	10,95,000			10,95,000

Additional information.		
1. Market value of land & building and machinery is Rs. 2,88,000 & Rs. 2,16,000 respectively.		
2. Expected rate of return on capital employed is 15% in similar kind of business.		
3. Last three year profits after 50% tax are as follows:		
Year	Profit	Weight
1	80,200	1
2	84,400	2
3	98,800	3
From the above information calculate goodwill on the basis of four years of purchase of super profit.		

Q.5 Write short notes (any two)

(14)

- 1) Explain the Cost Realization Concept.
- 2) Explain the Period Concept.
- 3) Explain the features and advantages of joint venture.
- 4) Explain factor affecting Valuation of Goodwill.
