

1908000201030001
EXAMINATION FEBRUARY-MARCH 2024
BACHELOR OF COMMERCE (HONORS)
(FIRST SEMESTER)
FINANCIAL ACCOUNTING – I-LEVEL 3

[Time: As Per Schedule]

[Max. Marks: 50]

Instructions:

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

- a. Name of the Examination : **BACHELOR OF COMMERCE (HONORS) (FIRST SEMESTER)**
- b. Name of the Subject : **FINANCIAL ACCOUNTING – I-LEVEL 3**
- c. Subject Code No : **1908000201030001**

2. Sketch neat and labelled diagram wherever necessary.
3. Figures to the right indicate full marks of the question.
4. All questions are compulsory.
5. Show all working notes as a part of your answer.

Seat No:

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Student's Signature

Q.1 Answer the following.

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1. K and L are partners sharing profits in the ratio of 3 : 2. M was admitted as a new partner with 1/5th share in the profits and brought in ₹ 24,000 as his share of goodwill premium that was credited to the capital accounts of K and L respectively with ₹ 18,000 and ₹ 6,000. Calculate the new profit sharing ratio of K, L and M.
2. A, B and C are partners sharing profits in the ratio of 15:12:3. A gets retirement from the firm and his share is taken by remaining partners equally. Calculate New and Gaining Ratio.

3. The profits of the firm from the last five years were as follows:

Year	2018	2019	2020	2021	2022
Profit (Rs.)	30,000	20,000	40,000	50,000	60,000

Calculate the goodwill on the basis of three years' purchase of weighted average profits.

4. As per scheduled-III of Company Act, 2013, show where following particulars are shown in balance sheet:
a) intellectual property b) Loose tools c) Bills payables d) share forfeited
5. When Garner vs. Murray rule applied in India?

Q.2 From the following balances of Aqua Ltd. as on 31-03-2023, prepare Balance Sheet as per schedule-3 of Company Act, 2013.

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Particulars	Amount	Particulars	Amount
Land-Building	15,54,970	Debenture discount	12,500
Mutual Fund	1,68,000	Plant-Machinery	3,75,000
Interest accrued on borrowing	32,400	Debtors	1,38,520
Advance payment of Insurance	25,000	Cash	1,57,160
Proposed Dividend	82,000	Stores & Parts	1,77,800
Bank Overdraft	2,45,100	Profit & Loss A/c(cr.)	21,490
Goodwill	10,00,000	Bills Receivable	44,600
Advances to employee	1,50,000	General Reserve	30,000
Creditors	92,560	Equity share capital	26,00,000
12% Debentures	4,00,000	Gratuity	3,00,000

Q.3 The Balance Sheet of Abhi, Surbhi and Leena who were sharing profits in the ratio of 5:3:2, is given below as on March 31, 2023:

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Balance Sheet of Abhi, Surbhi and Leena
As on March 31, 2023

Liabilities	Amt. Rs.	Assets	Amt. Rs.
Capital: Abhi.....7,20,000 Surbhi...4,15,000 Leena.....3,45,000	14,80,000	Land	4,00,000
Reserve Fund	1,80,000	Building	3,80,000
Creditors	1,24,000	Plant & Machinery	4,65,000
Outstanding expenses	16,000	Furniture	77,000
		Stock	1,85,000
		Debtors	1,72,000
		Cash and bank	1,21,000
	18,00,000		18,00,000

Surbhi retires on June 30, 2023 date and the following adjustments are agreed upon his retirement:

1. Stock was valued at Rs. 1,72,000.

2. Furniture and fittings were valued at Rs. 80,000.
 3. Profit share of Surbhi till the date of her retirement is to be calculated on the basis of firm's last year profit which is Rs. 2,00,000.
 4. An amount of Rs. 10,000 due from Mr. Deepak, a debtor, was doubtful and a provision for the same was required.
 5. Goodwill of the firm was valued at Rs. 2,00,000.
 6. Surbhi was paid Rs. 40,000 immediately on retirement and the balance was transferred to her loan account.
 7. Abhi and Leena were to share future profits in the ratio of 3:2.
- Prepare Revaluation Account, Capital Account and Balance Sheet of the reconstituted firm.

OR

Trishla, Garima and Dharti were the partners sharing profit and loss in the ratio of 2:2:1. Due to unavoidable circumstances the partnership was dissolved. On March 31, 2022 the Balance sheet was as under:

Balance sheet as at 31-3-2022

Liabilities	Rs.	Assets	Rs.
Capital :	1,10,000	Building	80,000
Trishla 60,000			
Garima -30,000			
Dharti- 20,000			
Garima's Loan	12,500	Plants	28,800
Bank Loan (secured)	15,800	Debtors	22,000
Creditors	25,300	Stock	15,000
		Cash on hand	2,800
		Profit and Loss A/C	15,000
	1,63,600		1,63,600

The assets were realized an under:

First Installment	25,000
Second Installment	16,000
Third Installment	24,000
Fourth Installment	25,200

An Amount of Rs. 4,000 was kept aside for the dissolution Expense but actual expense was Rs. 3000 only.

Prepare a statement showing piecemeal Distribution of cash according to Capital surplus method.

Q.4 Write Short notes: (Any Three)

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1. Accounting Cycle
2. Methods of calculation of purchase consideration
3. Criticism against Garner vs. Murray
4. Objectives of preparing balance sheet
