



RAN - 1905000502020001

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B. Com. LL. B. (Honors) (Sem. - II) Examination April - 2025

Financial Accountancy - II (New) (Paper - II)

Time: 3 Hours]

[Total Marks: 70

સૂચના : / Instructions

(1)

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the details of signs on your answer book

Name of the Examination:

B. Com. LL. B. (Honors) (Sem. - II)

Name of the Subject :

Financial Accountancy - II (New) (Paper - II)

Subject Code No.: **1905000502020001**

Seat No.:

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Student's Signature

- (2) Question number 1 is compulsory.
- (3) Figures to the right side indicate marks of the question.
- (4) Necessary calculations is the part of an answer.

Q. 1. Do as directed.

1. The balance sheet of a partnership firm disclosed net debtors of Rs. 96,000 (after considering bad debts reserve of Rs. 4,000). On conversion of the firm into a company the debtors are to be taken over at 10% less. The debtors' amount considered while determining the purchase consideration would have been how much? **03**
2. Find out Net Assets after taking into consideration the following details, on conversion of a Partnership Firm into a Company Fixed Assets Rs. 1,00,000, Creditors Rs. 25,000, Stock Rs. 31,500, Debtors Rs. 10,000, General Reserve Rs. 12,500, Depreciation Fund (for Machinery) Rs. 25,000 Market value of Fixed Assets is 20% more than its book value, while stock is valued at 10% less than its book value. **03**
3. Define the term 'Partnership'. **02**

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4. Classify the following into Revenue Income, Capital Income, Revenue Expense and Capital Expense.

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Membership Fees		Prize Fund
Life Membership Fees		Legacy
Donation		X-ray Machine
Investment of Prize Fund		Subscription of Periodicals
Annual Day Expenses		

5. Explain the difference between Income-Expenditure Account and Receipt-Payment Account.

03

- Q. 2.** From the Receipt - Payment Account for the year ended on 31-3-2024 and from other information of Andhjan Mandal, Prepare an Income - Expenditure Account for the year ending on 31-03-2024 and Balance Sheet as on that day.

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Receipt - Payment Account for the year ended on 31-03-2024

Dr.		Cr.	
Receipt	Amount	Payment	Amount
To balance b/d		By Salary	4200
Cash balance	1000	By Stationery -Printing	700
Bank balance	2000	By Insurance -Taxes	400
To Subscription Received	7000	By Subscription of Newspapers	600
To Hall Rent	2000	By Repairing Expenses	500
To Interest Received	1500	By Purchase of Investments	2800
To Sale of old Newspapers	200	By Purchase of Books	5000
To Donation Received	5000	By Balance c/d	
To Sale of old Furniture (Book value Rs. 1000)	800	Cash balance	1900
		Bank balance	3400
	19,500		19,500

Other Information :

- Balances as on 01-04-2023: Building Rs. 30,000, Furniture Rs. 4000, Books Rs. 10,000, Investments Rs. 40,000, Subscription outstanding Rs. 1000 and Permanent fund Rs. 88,000.
- Subscription received includes Rs. 500 for the year 2024-25.
- Subscription outstanding Rs. 700 for the year 2023-24.

4. Interest outstanding on investment Rs. 500.
5. Salary outstanding Rs. 600.
6. On 31-3-2024, stationery stock was of Rs. 100.
7. 10% provision of depreciation is to be made on the closing balance of building, furniture and books.

OR

Q. 2. From the following details of Shah Sports Club, Prepare Income-Expenditure Account for the year ending on 31-03-2024 and Balance Sheet as on that date.

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Receipt - Payment account for the year ending for the year ending on 31-03-2024

Receipt	Amount	Payment	Amount
To balance b/d (bank balance as on 1-4-2024)	17,500	By Salary	32,500
To Subscription: 2022-2023 450 2023-2024 43,500 2024-2025 300	44,250	By Rent-Taxes	4,500
To income from Entertainment Programme	10,000	By Purchase of Stationery	2,250
To Interest on 12% Investment (entire year)	3,000	By Purchase of Sports Equipment (1-10-2023)	15,000
To Donation	5,000	By Sundry Expenses	6,000
To Entrance Fees	1,000	By 12% bank deposit (from 1-1-2024)	12,500
To Sale of old Newspaper	300	By Expenses for Entertainment Programme	5,300
		By Balance c/d (bank balance as on 31-3-2024)	3,000
	81,050		81,050

Additional information:

1. Opening Capital Fund Rs. 65,700
2. Opening stock of stationery was of Rs. 250, while closing stock was of Rs. 375.
3. Salary Outstanding as on 31-3-2023 Rs. 2500 and as on 31-03-2024 Rs. 3750
4. Sports equipments as on 1-04-2023 were of Rs. 25,000 while their value on 31-03-2024 was of Rs. 35,000
5. There are total 150 members of club, each member pays annual subscription of Rs.300

- Q. 3.** Dipti, Sweety and Tejal were the partners in the firm. The profit sharing ratio was 1/2, 1/3 and 1/6 respectively. They decided to sell the firm to Sohan Ltd., on date their Balance Sheet was as under.

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Liabilities		Rs.	Assets		Rs.
Capital:			Goodwill		50,000
Dipti	1,66,000		Land Building		5,00,000
Sweety	1,77,000		Machinery		1,36,000
Tejal	1,88,000	5,31,000	Debtors		87,000
Bank loan		1,19,000	Stock		97,000
Creditors		1,80,000	Cash		20,000
Bill Payable		60,000			
		8,90,000			8,90,000

Company took over all to the tangible and intangible assets except cash, at 20% premium & promised to pay bank loan. Dipti promised to pay creditors. Sweety accepted to pay dissolution Expenses of Rs. 4000. Tejal promised to pay accidental expenses of Rs. 20,000. Company issued 60,000 equity shares Rs. 10 each at Rs. 5 premium and rest of the amount in cash. Partners distributed the share according to their profit sharing ratio.

Prepare the necessary ledger accounts in the books of the firm.

OR

- Q. 3.** Bhavna, Manisha and Hiral are the partners sharing profit and loss in the proportion 2:2:1 The Balance Sheet as on 31-03-2024 is as follows.

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Liabilities		Rs.	Assets		Rs.
Capital:			Building		1,95,000
Bhavna	1,65,000		Machinery		95,000
Manisha	1,35,000		Stock		1,32,000
Hiral	<u>1,50,000</u>	4,50,000	Debtors	62,500	
General reserve		35,000	– B. D. R.	5,500	57,000
Bank Loan		20,000	Cash Balance		53,500
Creditors		40,000	Profit & Loss A/C		12,500
		5,45,000			5,45,000

On 1st April, 2024 the Partnership Firm Converted into KJV Ltd. The terms and conditions of the conversion are as follows.

1. KJV Ltd. took over all the assets (except cash) at following prices.
 - a. Increase the value of land and building upto Rs. 2,00,000.
 - b. Decrease the value of plant and machinery by Rs. 25,000.
 - c. Out of stock 1/11 of stock valued at zero, whereas remaining of the stock at 10% more.
 - d. Realization expenses amounted to Rs. 2000.
 - e. Goodwill valued at Rs. 57,000.

2. 32,000 equity shares of KJV Ltd. Each of Rs. 10 at 20% premium and remaining amount in cash given by the company.
3. The Partners distributed the equity shares into their profit sharing ratio.

Prepare,

1. Realization A/C
2. Partners' capital A/C
3. CashA/c

Q. 4.

Budh Ltd. and Guru Ltd. were amalgamated on 01-04-2024.

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A new company Shukra Co. Ltd. was formed to take over the business of both the companies. The Balance Sheet of Budh Ltd. and Guru Ltd. as on 31-03-2024 are given as under.

Particulars	Note	Budh Ltd. Rs.	Guru Ltd. Rs
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds			
a. Share Capital:			
15% Pref Shares of Rs. 100 each fully paid		6,00,000	4,50,000
Equity shares of Rs 10 each		15,00,000	12,00,000
b. Reserves and Surplus: General Reserve			
Profit & Loss A/c		1,20,000	90,000
Revaluation Reserve		1,12,500	75,000
Export Profit Reserve		37,500	45,000
2. Non-Current Liabilities			
Long Term Borrowings: 12% Debentures of Rs. 100 each		1,44,000	1,35,000
3. Current Liabilities			
Trade Payable: Creditors		3,06,000	1,27,500
Total		31,20,000	23,47,500

II. ASSETS:			
1. Non-Current Assets:			
a. Fixed Assets:		18,00,000	15,00,000
2. Current Assets:			
Total		31,20,000	23,47,500

Additional Information:

1. Pref. shareholders of Budh Ltd. and Guru Ltd. will receive same number of 16% pref. share of Rs. 100 each in the new company.
2. 12% debentures of Budh Ltd. and Guru Ltd. will be discharged by the new company by issuing adequate number of 18% debentures of Rs. 100 each so as to maintain the same amount of interest.
3. The new company has issued three equity shares of Rs. 10 each for each two equity shares of Budh Ltd. and one equity share for each one equity share of Guru Ltd.
4. Statutory reserve is to be maintained for three more years. From the above particulars,

Prepare the balance sheet of Shukra Limited if the,

- A. Amalgamation is in the nature of Purchase.
- B. Amalgamation is in the nature of Merger.

OR

Q. 4.

The Balance Sheets of Bhakti Ltd. and Shakti Ltd. as on 31-03-2024

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Particulars	Note	Bhakti Ltd. Rs.	Shakti Ltd. Rs.
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds:			
a. Share Capital:			
10% Pref Shares of Rs. 100 each		--	50,000
Equity shares of Rs. 10 each		4,00,000	1,50,000
b. Reserves and Surplus: General Reserve		2,30,500	49,000
Statutory Reserve		19,500	6,250
Profit & Loss A/c		28,150	17,750
2. Non-Current Liabilities			
Long Term Borrowings: 12% Debentures		-	12,500
3. Current Liabilities			
Trade Payables: Creditors		71,850	49,500
Total		7,50,000	3,35,000
II. ASSETS			
1. Non-Current Assets			
Fixed Assets		5,50,000	2,36,500
2. Current Assets		2,00,000	98,500
Total		7,50,000	3,35,000

On 1st April, 2024, Bhakti Ltd. takes over Shakti Ltd. on the following terms

1. Bhakti Ltd. will issue 17,500 equity shares of Rs. 10 each at par to the equity shareholders of Shakti Ltd.
2. Bhakti Ltd. will issue 550, 10% preference shares of Rs. 100 each at par to the preference shareholders of Shakti Ltd.
3. The debenture holders of Shakti Ltd. will be converted into an equal number of 12.5% debentures of the same denomination.
4. Statutory Reserves of Shakti Ltd. are to be maintained for two more years.

You are required to show the balance sheet of Bhakti Ltd.

assuming that,

- A. The amalgamation is in the nature of Purchase.
- B. The amalgamation is in the nature of Merger.

Q. 5. Write short note (Any two)

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1. Distinguish between Pooling of Interest Method and Purchase Method
2. Explain Net Asset Method for calculating Purchase Consideration
3. Differentiate Trading and Non-trading Concern
4. Provisions of the Partnership Act 1932.
