18050005010200001

B.Com, L.L.B (Hons) (Sem-1)

Financial Accountancy -1

October/November 2025

Total Marks: 70

Duration: 3hrs

Instructions: 1. All questions carries equal marks.

2. Figures to the right indicate marks of question.
3. Working notes should form part of answer.
4. Use of simple pocket calculator is permitted.

Q,1 Do as Directed

1) Bond of Rs 12,00,000 are received against work done for joint venture business and same are sold for Rs. 9,50,000. Write journal entry. **(5)**
2) From the following information find out the amount of goodwill on the basis of 5 years purchase of super profit **(5)**

1	Capital Employed	Rs.7, 80,000
2	Expected Rate of Return	12% p.a
3	Last 5 years Profit	

Year	Profit (Rs.)
2020-21	2,00,000
2021-22	2,70,000
2022-23	2,40,000
2023-24	2,50,000
2024-25	2,30,000

3) Explain Contingent Liabilities and Contingent Assets **(4)**

Q.2 Prepare Balance Sheet of Nayan Limited in the prescribed format as per Companies Act 2013 as on 31st December 2024 from the following Trial Balance. **(14)**

Particulars	**Rs.**	**Particulars**	**Rs.**
Leasehold Property	16,00,000	Share Capital	20,65,000
Bank Balance	1,05,000	Staff Provident Fund	8,00,000
Machinery	9,00,000	Capital Redemptions Reserve	2,20,000

Goodwill	3,00,000	General Reserve	1,90,000
Investments in Subsidiary Company	11,50,000	Accounts Payable	210,000
Profit and Loss Account	70,000	Short Term Loan from SBI	1,78,000
Stock of Finish Good	1,20,000	Unclaimed Dividend	6,000
Accounts Receivable	2,40,000	Deposits from Public	9 ,00,000
Preliminary Expenses	39,000	Underwriting Commission	45,000

OR

Q.2 Prepare Balance Sheet of Payal Limited in the prescribed format as per Companies Act 2013 as on 31st December 2024 from the following Trial Balance. **(14)**

Particulars	Rs.	Particulars	Rs.
Office Equipment	4,80,600	Creditors For Goods	1,68,500
9% Debenture in Lakhani Ltd	2,45,000	Creditors for Expenses	36,000
Planted Machinery	18,00,000	Cash Credit	75,000
Computer Software	83,250	Mortgaged Loan	3,10,000
Debtors	1,90,000	8% Preference Share Capital	5,50,000
Advertisement Expenses (not written off)	30,000	Equity Share Capital	15,00,000
Stores and Spares	1,00,200	Staff Welfare Fund	85,000
Accrued Interest on Investments	51,000	Provision for Taxation	26,550
Cash at Bank	23,000	General Reserve	4,15,000
Loose and Tool	1.63,000		

Q.3 Girnar, Himalaya and Pavagadh agreed to construct a building for a company. They decided to share profits and losses in the ratio of 6:4:2 respectively. They deposited Rs.10,80,000 in their joint bank account as per their profit sharing ratio. The expenses where as under and were paid from joint bank account. **(14)**

Wages	Rs. 7,80,000
Material	Rs.12,20,000
Plant	Rs. 80,000

Architect fees paid by Girnar	Rs. 60,000
Mixture machine brought by Himalaya	Rs. 1,10,000
Vehicle brought by Pavagadh	Rs. 80000

On completion of the work, Girnar took away materials in stock for Rs. 50,000 Himalaya took away mixture machine for Rs. 40000 in Pavagadh took away vehicle for Rs. 60000 plant realized Rs. 20000.

Rs. 18, 00,000 being 75% amount of contract price was received through bank draft and 12% debentures received for the balance amount, which were purchased by Girnar at 20% less than its face value.

Prepare Joint Venture Account, Joint Bank Account and Co-venturer's Account assuming that all the accounts have been settled among the co-ventrurer's .

OR

Q.3 On 1st October, 2024 Anna and Shetty entered into joint venture for sharing **(14)** profit and losses in the ratio of 3: 2. They deposited Rs. 62,500 and Rs. 37,500 respectively into joint bank account and decided that joint bank account is to be used for the purchase and sale, while joint venture expenses should be paid by each co-venturer out of their private funds. Anna is to be paid salary of Rs. 250 per month for general administration and Shetty is to be paid commission at 5% on sales affected by him.

Anna purchased goods worth Rs. 81,250 and paid for expenses Rs. 6,250. Shetty sold some of the goods for Rs. 75,000 and paid selling expenses Rs. 625. Unsold goods worth Rs. 25,000 were taken over by Anna. Accounts were settled on 31st March, 2025. Prepare necessary accounts to record the above transactions.

Q.4 Balance Sheet of Hetvi Ltd. as on 31.03.2025 was as under. **(14)**

Liabilities	Amount	Assets	Amount
Equity Share Capital	1,80,000	Goodwill	18,000
Reserve & Surplus	20,000	Plant	1,28,000
Creditors	50,000	Furniture	5,000
Bills Payable	20,000	Stock	89,000
Outstanding Expense	5,000	Debtors	15,000
		Prepaid Expense	3,000
		Cash and Bank	17,000
	2,75,000		2,75,000

Additional information :			
1. Assets are revalued as under			
Plant	Rs.1,10,000	Stock	Rs.87,000
Furniture	Rs.6,000	Debtor	Rs.36,000

2. Last three years profits after tax are as follows:

Year	Profit (Rs.)	Weight
31.03.2023	30,000	1
31.03.2024	33,000	2
31.03.2025	31,000	3

3. Rate of return on capital employed in similar business is 10% p.a

Calculate goodwill on the basis of three years of Purchase of Super Profit.

OR

Q.4 **Balance sheet of Vipul Ltd. as on 31.03.2025** **(14)**

Liabilities	Amount	Assets		Amount
Equity Share Capital	1,60,000	Goodwill		11,200
10 % Pref. Share Capital	40,000	Building		1,16,000
Reserve & Surplus	48,000	Plant		1,20,000
15% Debenture	80,000	Debenture Discount		800
Creditors	32,000	Furniture		10,000
Bills Payable	12,000	Investments:		
Provision for Taxation	12,000	Shares of Subsidiary Co.	10,000	
Worker's Profit Sharing Fund	6,000	10 % Inv. (Face value Rs.30,000)	24,000	34,000
Provident Fund	10,000	Stock		32,800
		Debtors		46,400
		Bills Receivable		20,000
		Prepaid Expenses		800
		Cash and Bank		8,000

	4,00,000		**4,00,000**

Additional information:

1. Market value of building and plant is Rs.1,80,000 and Rs.1,04,000 respectively.
2. Market value of share is double than paid up value of the company engaged in similar business and offering dividend at 20%.
3. Last 4 years profits before 50 % tax provision are as follow.
Rs.70,400, Rs.76,800, Rs.73,600 and Rs.80,000

From the above information, calculate goodwill on the basis of four years of Purchase of Super Profit.

Q.5 Write short notes on (any two): **(14)**

1) Explain the Going Concern Concept.

2) Explain the Money Measurement Concept.

3) Explain the difference between Joint Venture and Partnership.

4) Explain Various Methods of Valuation of Goodwill.

Set 1