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F.Y.B.Com. LL. B. (Hons.) (Sem.-II) Examination April - 2026

Financial Accounting-II (Paper-II)

Time: 3 Hours] **[Total Marks: 70**

સૂચના : / Instructions

(1) ઉપરોક્ત દર્શાવેલ વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the above details on your answer book
(2) Question 1 is compulsory.
(3) Figures to the right side indicate marks of the question.
(4) Necessary calculations is the part of an answer.

Seat No.:

Student's Signature

Q.1. Do as directed.

1. The balance sheet of a partnership firm disclosed debtors and bad-debts reserve at Rs. 40,000 and Rs. 4,000 respectively. On conversion of the firm into company, debtors are taken over at 10% less. What would be debtors' value for such determination of net assets? For the sam pass journal entry. **04**

2. Show how you would deal with the following items in the Balance Sheet of Jagdish Cricket Club. **04**

Particulars	(Rs.)	Particulars	(Rs.)
Match fund	70,000	Interest on match fund investment	4,000
Investment of fund	35,000	Donation received for match fund	16,000
Prize distribution to match winner	5,700	Permeant fund	1,05,000
Match Expenses	8,250	Investment of Permeant Fund	1,05,000

3. On conversion of partnership firm, creditors of Rs. 1,50,000 is not taken by Dhara Ltd, which was paid by firm at Rs.l,35,000 as final settlement. Further Machinery of Rs.2,40,000 was also not take over by Dhara Ltd. has been realized at Rs.l,80,000. Pass Journal entries in the books of Partnership Firm. **03**

4. Explain Purchase Consideration? **03**

Q.2. From the Receipt — Payment Account for the year ending 31-3-2025 and from other information of Bala Ashram, prepare an Income — Expenditure Account for the year ending 31-3-2025 and a Balance Sheet as on that date. **14**

Dr Receipt— Payment Account for the year ending 31-3-2025 of Bala Ashram Cr.

Receipt	Amount	Payment	Amount
To balance b/d		By Salary	8,400
Cash balance	2,000	By Stationery – Printing	1,400
Bank balance	4,000	By Insurance – Taxes	800
To Subscription (received)	14000	By Subscription of news papers	1,200
To Hall rent	4,000	By Repairing expense	1,000
To Interest (received)	3,000	By Purchase of Investments	5,600
To Sale of old news papers	400	By Purchase of books	10,000
To Donations (received)	10,000	By Balance c/d	
To Sale of old furniture (Book value Rs. 1000)	1,600	Cash balance	3.800
		Bank balance	6,800
	39,000		**39,000**

Other information :

1. Balances as on 01-04-2024: Building Rs. 60,000, Furniture Rs. 8000, Books Rs. 20,000, Investments Rs. 80,000, Subscription outstanding Rs. 2000 and Permanent fund Rs. 1,76,000.
2. Subscription received includes Rs. 1,000 for the year 2025-26.
3. Subscription outstanding Rs. 1400 for the year 2024-25.
4. Interest outstanding on investment Rs. 1000.
5. Salary outstanding Rs. 1200.
6. On 31-3-2025, stationery stock of stationery of Rs. 200.
7. Provision for depreciation at 10% is to be made on the closing balance of building, furniture and books.

OR

Q.2. From the following details of Bharat Khel Kud Club, Prepare Income-Expenditure account for the year ending on 31-3-2025 and balance sheet as at that date. **14**

Receipt – Payment account for the year ending for the year ending on 31-3-2025

Receipt	Amount	Payment	Amount
To balance b/d (bank balance as on 1-4-2024)	17,500	By Salary	32,500
To Subscription: 2023-2024 450 2024-2025 43,500 2025-2026 300	44,250	By Rent-Taxes	4,500
To Income of entertainment programme	10,000	By Purchase of Stationery	2,250
To interest on 12% investment (entire year)	3,000	By Purchase of sports equipment (1-10-2024)	15,000
To donation	5,000	By Sundry expenses	6,000

To Entrance Fee	1,000	By 12% bank deposit (from 1-1-2025)	12,500
To Sale of old newspaper	300	By Expense of entertainment Programme	5,300
		By balance c/d (bank balance as on 31-3-2025)	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 31-3-2024 Rs. 2,500 and as on 31-3-2025 Rs. 3,750.
4. Sports equipments as on 1-4-2024 were of ₹ 25,000 while their value on 31-3-2025 was of Rs. 35,000
5. There are total 150 members in club, each member pays annual subscription of Rs. 300

Q.3. A, B and C are the partners sharing Profit/Losses in the proportion of 5:3:2. The balance sheet as on 31st March 2025 is as follows : **14**

Liabilities		Rs.	Assets		Rs.
Capital			Goodwill		64,000
A	2,88,000		Land & Building		3,36,000
B	2,64,000		Plant Machinery		3,60,000
C	2,80,000	8,32,000	Furniture		1,04,000
Profit & Loss Account		1,60,000	Patent		60,000
General Reserves		80,000	Investment		1,00,000
Workmen Profit Sharing fund		80,000	Stock		1,52,000
10% A's Loan		1,20,000	Debtors	2,32,000	
Creditors		1,36,000	B.D.R.	8,000	2,24,000
Bills Payable		56,000	Bills Receivable		72,000
Outstanding Exp.		8,000	Bank balance		92,000
Depreciation Fund		1,12,000	Ad. Suspense A/c		20,000
		15,84,000			**15,84,000**

On 1st April, 2025 the partnership firm converted into ABCD Ltd. The terms and conditions of the conversion are as follows :

1. ABCD Ltd. took over all the assets (except Investments) at the following price,
   a. Increase the value of land and building up to Rs. 3,92,000.
   b. Decrease the value of plant and machinery by Rs. 40,000
   c. The realization value of patent is Nil.
   d. Stock to be valued at Rs. 1,68,000
   e. Provide 10% bad debts on debtors.
2. Goodwill of the firm is valued at Rs. 1,28,000.
3. ABCD Ltd. took over all the liabilities (except A's Loan).
4. Investment were sold at Rs. 1,00,000.
5. For purchase consideration, ABCD Ltd. gave 1,04,000 equity shares of Rs. 10 each at Rs. 11 and rest of amount was paid in cash.
6. For the settlement of A's loan, the firm paid Rs. 20,000 cash and 8,000 equity shares at Rs. 11 which were received from ABCD Ltd.
7. The partners distributed the remaining equity shares in to their profit sharing ratio.

Prepare :
1. Realisation A/c
2. Partner's Capital A/c
3. Cash/Bank A/c

OR

Q.3. Jay and Veeru are partners in a firm sharing profit and loss in the ratio of 3:2. Their balance sheet as on 31/3/25 is as under : **14**

Liabilities		Rs.	Assets	Rs.
Capital A/C :			Land and Building	52,500
Jay	45,000		Machinery	45,000
Veeru	24.000	69,000	Furniture	15,000
General Reserve		15,000	Stock	30,000
Loan of Mrs. Veeru		45,000	Debtors	75,000
Creditors		82,500	Bills Receivable	15,000
Bill Payable		25,500	Cash	4,500
		2,37,000		**2,37,000**

Conditions of conversion :
1. The Company took over all the assets except (cash and stock) at the following values. Goodwill Rs. 90,000, Machinery Rs. 30,000, Debtors Rs. 67,500, Land and Building Rs. 1,05,000 Furniture Rs. 4,500 and Bills Receivable Rs. 13,500
2. Company agreed to pay all the liabilities except Mrs. Veeru's loan.
3. Jay took over the stock at 10% less than book value.
4. Veeru agreed to repay the loan of Mrs. Veeru.
5. Jayveer Ltd. gave 16,500 equity share of Rs. 10 each and balance by cash against purchase consideration.
6. Partners distributed the shares in profit sharing ratio.

Prepare :
1. Realization Account
2. Partner's Capital Account
3. Cash/Bank Account.

Q.4. A Ltd. and B Ltd. were amalgamated on 1st April, 2025 and C Ltd. was formed to take over the business of the existing companies. Balance Sheet of both the companies as on 31/3/2025 are as under. **14**

Particulars	A Ltd	B Ltd
1. Equity And Liabilities		
Shareholder's fund Share Capital :		
Equity share capital of Rs. 10 each fully paid up	18,00,000	12,00,000
12% Preference shares of Rs. 100 each fully paid up	7,00,000	5,00,000
b. Reserves and Surplus : Revaluation Reserve	1,50,000	1,00,000
General Reserve	4,20,000	2,25,000
Profit and Loss A/C	2,00,000	1,50,000
Investment Allowance Reserve	1,00,000	70,000
Export Profit Reserve	1,50,000	80,000
2. Non -Current Liabilities :		
a. Long Term Borrowings:		
13% Debentures	1,80,000	75,000

Public Deposit	50,000	70,000
3. Current Liabilities :		
a. Trade Payables : Creditors	2,00,000	1,50,000
Bills Payable	50,000	80,000
Total	**40,00,000**	**27,00,000**
2. Assets :		
1. Non-Current Assets:		
a. Fixed Assets :		
i. Tangible Assets: Land and Building	12,00,000	6,00,000
Plant & Machineries	7,00,000	5,00,000
b. Non- Current Investments	2,00,000	1,50,000
2. Current Assets :		
a. Inventories : Stock	8,00,000	6,00,000
b. Trade Receivables : Debtors	6,50,000	5,50,000
c. Cash and Cash Equivalents :		
Cash & Bank Balance	4,50,000	3,00,000
Total	**40,00,000**	**27,00,000**

Additional Information :

1. C Ltd. will issue 2 equity shares for each 3 equity shares of A Ltd. and 1 Equity share for each 3 equity shares of B Ltd. The shares are to be issued at Rs. 20 each, having a face value of Rs. 10 each share.
2. Preference share holders of the two companies are issued equivalent number of 15% Preference shares of Rs. 100 each of C Ltd. at a price of Rs. 110 per share.
3. 13% Debenture holders of A Ltd. and B Ltd. are discharged by C Ltd. by issuing such number of its 15% Debentures of Rs. 100 each so as to maintain the same amount of interest.
4. Statutory reserves are to be maintained for 2 more years.

Assuming that and Prepare the balance sheet of C Ltd. as on 1/4/2025 after the amalgamation carried out, if

1. Amalgamation is in nature of Purchase.
2. Amalgamation is in nature of Merger.

OR

Q.4. Jay Ltd. and Ajay Ltd. were amalgamated on and from 1st April 2025. A new Company Vijay Ltd. was formed to take over the business of the existing companies. The Balance Sheets of Jay Ltd. and Ajay Ltd. as on 31st March 2025 are given below. **14**

Particulars	**Jay Ltd (Rs.)**	**Ajay Ltd (Rs.)**
1. EQUITY AND LIABILITIES :		
1. Shareholder's Funds :		
a. Share Capital :		
Equity Shares Capital of Rs. 100 each	8,00,000	7,50,000
12% Preference Share of Rs. 100 each	3,00,000	2,00,000
b. Reserves and Surplus :		
Revaluation Reserve	1,50,000	1,00,000
General Reserve	1,70,000	1,50,000
Investment Allowance Reserve	50,000	50,000
Profit & Loss A/C	50,000	30,000

2. Non-Current Liabilities :		
a. Long Term Borrowings :		
10% Debentures (Rs. 100 each)	60,000	30,000
3. Current Liabilities:		
a. Trade Payables : Creditors	2,70,000	1,20,000
Bills payable	1,50,000	70,000
Total	**20,00,000**	**15,00,00**
2. ASSETS		
a. Non-Current Assets:		
i. Fixed Assets		
1. Tangible Assets : Land & Building	5,50,000	4,00,000
Plant & Machinery	3,50,000	2,50,000
2. Intangible assets : Goodwill	1,50,000	50,000
b. Non-Current Investments		
Current Assets		
a. Inventories : stock	3,50,000	2,50,000
b. Trade Receivables : Debtors	2,50,000	3,00,000
Bills Receivable	50,000	50,000
c. Cash and Cash Equivalents :		
Cash and bank balance	3,00,000	2,00,000
Total	**20,00,000**	**15,00,00**

Additional Information :

1. 10% Debenture holders of Jay Ltd. and Ajay Ltd. are discharged by Vijay Ltd. by issuing such number of its 15% Debentures of Rs. 100 each so as to maintain the same amount of interest.
2. Preference shareholders of the two companies are issued equivalent number of 15% preference shares of Vijay Ltd. at a price of Rs. 150 per share (face value Rs. 100)
3. Vijay Ltd. will issue 5 equity shares for each equity share of Jay Ltd. & 4 equity shares for each equity share of Ajay Ltd. The share are to be issued at Rs. 30 each, having a face value of Rs. 10 per share.
4. Investment allowance reserve is to be maintained for 4 more years.

Prepare the Balance sheet of Vijay Ltd. as on 1/ 4 / 2025 after the amalgamation has been carried out, if

1. Amalgamation is in the nature of Purchase.
2. Amalgamation is in the nature of Merger

Q.5. Write short note (Any two) **14**

1. Differentiate between types of amalgamation
2. Statutory reserve in amalgamation
3. Define partnership and explain partnership deed.
4. Differentiate trading and Non-trading concern