

Seat No.	
----------	--

**B.Com. (Part - I) (Semester - I) (Pre - revised)**  
**Examination, November - 2019**  
**FINANCIAL ACCOUNTING**  
**Accounting (Paper - I)**  
**Sub. Code : 59640**

Day and Date : Saturday, 23 - 11 - 2019  
 Time : 03.00 p.m. to 05.00 p.m.

Total Marks : 50

- Instructions :
- 1) All questions are compulsory.
  - 2) Figures to the right indicate full marks.
  - 3) Use of calculator is allowed.

Q1) The following were the Balance Sheets as at 31<sup>st</sup> March 2017 of M/s A & B and P & Q.

Balance Sheets of A & B

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	20,000	Premises	40,000
Mrs A Loan	5,000	Furniture	4,000
Capitals:		Debtors	15,000
A	40,000	Stock	20,400
B	20,000	Cash at Bank	5,600
Total	85,000	Total	85,000

Balance Sheets of P & Q

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	24,000	Investment	15,000
Capitals:		Furniture	5,000
P	24,000	Debtors 20,000	19,000
Q	16,000	Less R.D.D 1,000	
		Stock	18,300
		Cash at Bank	6,700
Total	64,000	Total	64,000



P.T.O.



SN - 4

The two Firms decided to Amalgamate their businesses as from 1<sup>st</sup> April 2018 under the name of M/s Vijay. For this purpose it was agreed that the Mrs A loan should be repaid by the Firm and Investment of M/s P & Q be not taken over by the new Firm.

Goodwill of M/s A & B was fixed at Rs. 8000 that of M/s P&Q at Rs. 10,000. Premises were revalued at Rs. 50,000. The stock of M/s A & B was valued at Rs. 17,150 and stock of M/s P&Q valued at Rs.20,300. A Reserve of 5% on the Debtors was to be created for bad debts of both the firms.

The total capital of the M/s Vijay was Rs. 80,000 and capitals of A,B,P, & Q in new profit sharing ratio was 3:2:3:2 respectively.

Prepare-

- Revaluation A/c and Partners Capital A/c in the books of the both firms. [10]
- Balance Sheet in the books of new firm. [10]

Q2) Attempt any two out of a, b & c.

- A and B sharing profit and losses equally decided to convert their business into a Limited Co., named AB Ltd., on 31<sup>st</sup> March 2017, when their Balance Sheet was:

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capitals:		Building	4,00,000
A 5,10,000		Plants	3,00,000
B 3,90,000	9,00,000	Furniture	50,000
		Debtors	2,80,000
Bill payable	50,000	Stock	1,00,000
Creditors	2,50,000	Bank	70,000
	12,00,000		12,00,000

AB Ltd. Agreed to take over all the assets & liabilities at the value stated below.

Buildings Rs. 4,20,000; Plants Rs. 2,50,000; Furniture Rs. 43,400, Stock Rs. 80,000; Debtors subject to provision for doubtful debts at 3% and creditors at a discount of 2%.

The company issued to the firm 63,000 Equity shares of Rs. 10 each at Rs. 12 per share and the balance of purchase price is paid in cash.

prepare : Realisation Account.

[10]



SN - 4

- b) Dr. Ajit commenced his practice on 1<sup>st</sup> April, 2016 with Rs. 15,000. his Receipts and Payments Account for the year ending 31<sup>st</sup> March, 2017 was as under:

Receipts & Payments A/c			
Dr.	for the year ending 31-3-2017		Cr.
Receipts	Rs.	Payments	Rs.
To Cash Introduced	15,000	By Furniture	4,000
To Visits	20,000	By Equipments	5,000
To Receipts from Dispensing	12,000	By Purchase of Drugs	3,000
To Sundry Receipts	500	By Salary of Assistant	2,400
		By Rent	1,800
		By Travelling Expenses	1,200
		By Stationery	100
		By Lighting	200
		By Journals	300
		By Drawings	10,000
		By Balance	19,500
	47,500		47,500

Account outstanding for visits and dispensing were Rs. 1,200 and 900 respectively. Salary payable to Assistants Amounted to Rs. 600. 40% of travelling expenses were for domestic purpose. Stock of drugs on 31-3-2017 was Rs. 800. Amount payable for purchase of drug's was Rs. 300. Furniture and equipment's depreciated at 10%.

Prepare receipts and Expenditure Account for the year ending 31<sup>st</sup> March, 2017. [10]





- c) X Ltd. was formed to acquire the business of P,Q&R who shares profits in the ratio of 2:1:1 respectively. The Balance Sheet of the firm on 31<sup>st</sup> March 2017 was as follows:

Liabilities	Rs.	Assets	Rs.
Capitals A/cs		Plants & Machinery	37,000
P	25,000	Stock	17,000
Q	12,000	Debtors	19,000
R	12,000	Motor Car	10,000
Investment Fluctuation		Investment	10,000
Funds	5,000	Cash	1,000
Creditors	24,000		
Bills payable	16,000		
	94,000		94,000

X Ltd. Took Plants & Machinery, Stock and Debtors at 10% less than the book value and agreed to pay Rs. 10,000 for the Goodwill. It is also agreed to pay the creditors at book value. The purchases considerations was satisfied in 400 shares of Rs. 100 each and balance in cash.

Mr. P took the motor car at Rs. 8,000. Investments were sold in the Market for Rs. 9,000. The partnership firm paid Bills Payable at 10% discount.

Realisation expenses amounted to Rs. 2,300.

The partnership firms sold the shares of X Ltd. of Rs. 36,000. The X Ltd. Issued for cash of Rs. 36,000.

Prepare - Partners Capital A/c & Cash A/c. [10]

Q3) Write short note any two out of four. [10]

- Dual Aspect concept
- Consistency
- Branches of Accounting
- Objectives of Accounting

