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Kamala College, Kolhapur
(Autonomous)
B.Com. (Part-I) (Semester-I)
Examination November, 2023.
NEP - 2020 Level - 4.5
MJ - I: Financial Accounting
Subject Code: 101

Day and Date: Wednesday, 1/11/2023**Total Marks: 80****Time: 8.00 a.m. to 11.00 a.m.****Instructions:**

1. All questions carry equal marks.
2. Attempt any four questions out of Five
3. Figures to the right indicate full marks

Course Outcome:

CO1: To understand and apply Financial accounting concepts and Conventions

CO2: To prepare Old Firm and new firm Journal and Ledger Account, Consignment Account

CO3: To know the concept of Professional Account and prepare Receipts and Expenditure Account.

Q. 1. A and B were partners sharing profit and losses in the ratio of 3:1 and C and D were partners sharing profits and losses equally. (CO2) (20)

Balance Sheet

Liabilities	A&B Rs.	C&D Rs.	Assets	A&B Rs.	C&D Rs.
Creditors	10000	15000	Plant & Machinery	20000	27000
Bills payable	4000	8000	Furniture	12000	9000
Mrs. B's Loan	10000	-	Stock	20000	24000
Mrs. D's Loan	-	7000	Debtors	19000	17000
Outstanding Rent	2000	1500	Fixtures	1600	1200
Capital Account			Cash in hand	3400	1300

B	10000	Premises	20000
	42500		42500

Balance Sheets of X and Y

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	12000	Cash at Bank	3350
Capital		Stock	9150
A	12000	Debtors 10000	9500
		Less R. D. D. 500	
B	8000	Furniture	2500
		Premises	7500
	32000		32000

The two firms decided to amalgamate their businesses as from 1st April, 2004 under the name and style of M/s Lucky Traders. For this purpose it was agreed that Mrs. A's Loan should be repaid by that firm and the investments of M/s X and Y be not taken over by the new firm.

Goodwill of M/s A and B was fixed at Rs. 4000 and that of X and Y at Rs. 5000. Premises were revalued at Rs. 25000 but the stock of M/s A and B was found overvalued by Rs. 1625. The stock of M/s X and Y was undervalued by Rs. 1000. A Reserve of 5% on debtors was to be created for bad debts of both the firms.

The total capital of the Lucky Traders was to be Rs. 40000 and the capitals of A and B and X and Y were to be in their profit sharing ratio, which was to be 3:2:3:2 respectively. Goodwill account in the new firm was to be written off.

Give necessary Ledger Accounts in the books of M/s A and B and M/s X and Y and necessary Journal Entries and Balance sheet in the books of M/s Lucky Traders.

Q. 4. Prepare Income and Expenditure Account, Receipts and Expenditure A/c and Balance sheet from the following Receipts & Payments A/c for the year ended 31st March, 1998 and Balance Sheet as on 1st April, 1997. (CO3) (20)

Receipts & Payment A/c For the year ended 31st March, 1998

Receipts	Rs.	Payment	Rs.
To Balance b/d	32500	By Expenses	55000
To Fees	120000	By Balance c/d	97500
	152500		152500



A	30000	25000		
B	20000	25000		
C	-	-		
D	-	-		
	76000	81500		76000 81500

The two firms amalgamated on the following terms:

1. Mr. B agreed to pay Mrs. B's loan and Mr. D agreed to pay Mrs. D's Loan.
2. Outstanding Rent was paid in full by the respective firms.
3. Creditors of both the firms were taken by the new firm at a discount of 5%.
4. Plant and Machinery is subject to 5% depreciation of both the firms.
5. Furniture of C and D was sold in the market for Rs. 8000 and furniture of A and B was not taken over by the new firm.
6. Fixtures were not taken over by the new firm.
7. Stock of A and B was valued at Rs. 22100 and stock of C and D was valued at Rs. 21000.

You are required to prepare Revaluation Accounts, Partners Capital Accounts in the books of both the firms and Balance sheet of the new Firm.

Q. 2. Mr. X from Kolkata consigns to Mr. Y from Patna 100 machines. Original cost price of every machine is Rs. 260 but it has been valued at Rs. 320 each in the invoice. X has spent Rs. 800 on packing etc. Mr. Y has accepted a bill drawn by Mr. X, for Rs. 16000 Mr. Y informed that 80 machines were sold at Rs. 350 each and that he has incurred the following expenses like freight Rs. 1200, Rent for the Godown Rs. 100 and Insurance Rs. 200.

Consignee is authorized to get ordinary commission at 5% and 1.50% Del credere commission.

Pass the necessary Journal Entries for the above transactions in the books of the consignor and give the consignment account and consignee's account in his ledger.

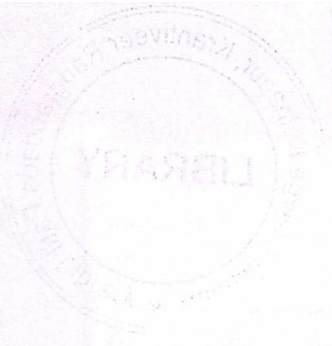
(CO3) (20)

Q. 3. The following were the Balance sheets as at 31st March 2004 of M/s A & B and X & Y.

(CO2) (20)

Balance Sheets of A and B

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	10000	Cash at Bank	2800
Mrs. A's Loan	2500	Stock	10200
Capital		Debtors	7500
A	20000	Furniture	2000



Balance Sheet
As on 1st April, 1997

Liabilities	Rs.	Assets	Rs.
Capital	147500	Furniture	17500
Liability for expenses	5000	Motor Car	62500
Provision for outstanding fees	10000	Equipment	40000
		Fees Receivable	10000
		Cash in hand	32500
	162500		162500

Other Information:

1. Outstanding Fees on 31-3-98 Rs. 17500.
2. Provide depreciation as to 20% on car, 15% on Equipment & 10% on Furniture.

Q. 5. Write Short Notes (Attempt any two out of Three) (CO1) (20)

1. Objectives of Accounting
2. Important terms of Consignment
3. Accounting Conventions