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No.	

Total No of Pages: 4

Kamala College, Kolhapur

(Autonomous)

B.Com. (Part-I) (Semester-II) (CBCS)

Examination April, 2024.

NEP - 2020 Level – 4.5

MJ III: Financial Accounting

Subject Code: 117

Day and Date: Friday 05-04-2024

Total Marks: 80

Time: 8.00 a.m. to 11.00 a.m.

Instructions:

1. Attempt any Four out of Five.
2. Figures to the right indicate marks.
3. All Questions carry equal marks

Course CO1: Define accounting and explain its purpose in business.
Outcome CO2: Differentiate between single entry and double-entry accounting systems.
CO3: Identify and discuss the advantages and limitations of single entry accounting.
CO4: Understand the cash basis of accounting and record various types of transactions in a single entry system.

Q. 1. Mr. Thomas does not maintain his books on Double Entry System. (20)

A) From the following prepare Profit & Loss Account and Balance Sheet as on 31-3-2017

Particulars	Rs.	Rs.
Stock	19,800	1,13,200
Creditors	31,000	14,500
Debtors	1,18,000	1,25,000
Premises	90,000	90,000
Furniture	11,000	11,500
Air Conditioner	15,000	15,000

B) Creditors as at 31-3-2016 include Rs. 15,000 for purchase of Air Conditioners.

C) Cash Transactions	Rs.
Cash as at 1 st April 2016	15,000

Collection from customers	1,60,000
Payment to Creditors (Trade)	1,44,000
Rent, Rates and Taxes	11,500
Salaries	1,12,000
Sundry Expenses	18,000
Sundry Income	16,500
Drawings by Thomas	30,000
Loan from Mrs. Fernandes	23,000
Capital Introduced	12,000
Cash Sales	11,500
Cash Purchases	15,000
Paid to Creditors for Air Conditioner	15,000

D) Bad debts written off Rs.1200.

Q. 2. A, B and C who are partners in a firm and share profits and losses in the ratio of 2:2:1 respectively decided to sell their firm to a Limited Company The Gurudas Co. Ltd. (20)

The Balance Sheet of their firm in the date of conversion shows the following position.

Balance Sheet of M/s A, B and C as on 31st March, 2016

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	48,000	Building	60,000
Bills Payable	3,000	Plant and Machinery	36,000
General Reserve	12,000	Motor Van	24,000
Capital Account		Furniture	5,000
A	60,000	Stock	9,400
B	56,000	Sundry Debtors	52,000
C	34,000	Investment	12,000
		Cash at Bank	14,600
	2,13,000		2,13,000

The Gurudas Co. Ltd. agreed to take over following assets at values shown below:

	Rs.
Building	64,000
Plant and Machinery	33,000
Furniture	4,000

Stock	15,600
Goodwill	8,000

Sundry Debtors subject to 5% R. D. D.

The company has also agreed to take over sundry creditors at Rs. 44,000

The Purchase Consideration was paid by the company by issue of sufficient number of equity shares of Rs. 100 each fully paid at par.

The firm sold investments for Rs. 16,000 and paid off bills payable fully. The Motor Car was taken over by A at Book Value.

The firm paid realisation expenses of Rs. 1,600 Equity shares received from the company were distributed among partners in their last capital proportion.

Prepare necessary Account in the books of the firm to close the Account.

Q. 3. A Ltd. purchased on 1st April, 2019 a machinery for Rs. 2,91,000 and incurred Rs. 9000 for installation. On 1st October another machinery for Rs. 1,00,000 was purchased. On 1st October 2020 the machinery purchased on 01/04/2019 having become useless was sold for Rs. 1,93,000. Depreciation was provided on 31st March each year @ 10 percent p.a. on written Down Value.

You are required to prepare machinery account for 4 year. (20)

Q. 4. From the following particulars prepare Branch Account for the half year ended on 30-09-2017 in the Head Office books. Goods are supplied by the Head

Office at 25% profit on invoice price and the Branch is advised to sell goods at invoice price. Petty cash at branch is maintained on imprest system. (20)

	Rs.
Furniture purchased for the Branch	4,000
Goods sent to Branch	1,00,000
Cash sent to Branch for Petty Expenses	600
Expenses paid by the Head office	
Rent	1,200
Salaries	3,000
Sundry Expenses	900
Insurance (upto 30-6-2018)	900
Cash sales by the Branch	6,000
	70,000

Credit sales by the Branch	25,000
Cash received from Debtors	14,000
Discount allowed to Debtors	300
Bad Debts written off	100
Cash paid by debtors directly to H.O.	2,000
Goods returned by debtors	800
Petty Expenses paid by Branch	800
Stock at cost (excluding the goods returned by the debtors)	18,000

Provide for depreciation on furniture at 10% p.a.

- Q.5. Write Short Notes (Attempt any two out of Three) (20)
- A) Advantages and Limitations of single entry accounting
- B) Objectives and Need of Providing Depreciation
- C) Types of Branch Accounting

