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B.Com. (Part - I) (Semester - I) Examination, April - 2015
FINANCIAL ACCOUNTING (Paper - I) (Regular)
Sub. Code : 59640

Day and Date : Monday, 06 - 04 - 2015

Total Marks : 50

Time : 03.00 p.m. to 05.00 p.m.

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

Q1) Following are the Balance Sheets of two firms viz. M/s A & B and M/s X & Y as on 31st March, 2011.

Balance Sheets as on 31st March, 2011.

Liabilities	M/s A & B	M/s X & Y	Assets	M/s A & B	M/s X & Y
S. Creditors	20,000	25,000	Cash at Bank	5,600	6,700
Bills payable	10,000	5,000	Stock	20,400	18,300
Capitals :			S. Debtors	15,000	20,000
A	40,000	-	Office premises	40,000	-
B	20,000	-	Furniture	4,000	20,000
X		24,000	Bills Receivable	5,000	5,000
Y		16,000			
	90,000	70,000		90,000	70,000

The two firms decided to Amalgamate their business as on 1st April, 2011 on the following conditions.

- a) Goodwill of M/s A & B be fixed at Rs. 8,000/- and that of X & Y at Rs. 10,000/-.
 b) Premised be valued at Rs. 50,000/-.

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- c) Stock of M/s A & B be written down by Rs. 4,000 and that of M/s X & Y be written up by Rs. 2,000/-.
- d) A provision for R.D.D. be created on Sundry Debtors at 5% in both firms.
- e) A create 5% discount on Sundry Creditors of both the firms.

You are required to prepare

- i) Revaluation A/c and Partners capital A/c in both the firms. [10]
- ii) Opening Balance Sheet in the books of the New firm. [10]

Q2) Attempt any Two (A, B and C) : [20]

- a) Asha, Usha and Lata were in partnership, sharing profit and losses in the proportion of 3:2:1 respectively. They decided to convert their business into Ltd., company name and style of "Komal Company Ltd.," when their Balance Sheet was as follows :

Balance Sheet as on 31.3.2012

Liabilities	Rs.	Assets	Rs.
Creditors	18,000	Land & Building	41,400
Capitals :		Stock	10,000
Asha	21,400	Debtors	10,000
Usha	16,000	- R.D.D.	<u>2,000</u>
Lata	<u>14,000</u>	Cash	7,000
	51,400	Profit & Loss	3,000
	<u>69,400</u>		<u>69,400</u>

The company take over all the Assets and Liabilities of the firm, the purchase consideration being Rs.52,800 payable as to Rs. 12,800 in cash and the balance in equity shares of Rs. 10 per share of the company.

You are asked to prepare Realisation A/c and Partners Capital A/c in the books of the firm. [10]

OR

- b) Dr. Manish (Bhav) Rajee commenced practice as a Dentist on 1st April, 2012. He supply you the following Receipts and Payments A/c for the year ending 31st March, 2013.

Receipts and Payments A/c

Receipts	Rs.	Payments	Rs.
To Capital introduced	25,000	By Furniture	12,000
To Visit fees	56,000	By Equipments	25,000
To Receipts from Dispensing	44,000	By Purchase of Drugs	30,000
To Miscellaneous Receipts	1,100	By Salaries	18,000
		By Rent & taxes	15,000
		By Conveyance	4,000
		By Stationery	1,500
		By Drawings	12,000
		By Balance C/d	8,600
	1,26,100		1,26,100

Amounts still receivable on account of visit fees and dispensing are Rs. 10,000/- and Rs. 6,000/- respectively. Salary to Assistant yet to be paid Rs. 2,000/-. 50% of conveyance is for domestic purpose. Furniture and Equipments to be depreciated by 10% and 5% respectively.

Prepare Receipts and Expenditure A/c of Dr. Manish (Bhav) Raje. [10]

OR

- c) Mithun and Manish were equal partners. The Balance Sheet of the Business as on 31st March, 2012 was as under.

Balance Sheet as on 31.03.2012

Liabilities	Rs.	Assets	Rs.
Capitals :		Bank Balance	18,000
Mithun	60,000	S. Debtors	24,000
Manish	40,000	Stock	25,000
General Reserve	9,000	Machinery	15,000
S. Creditors	20,000	Building	57,000
Bills payable	10,000	Furniture	15,000
10% Mortgage Loan	15,000		
	1,54,000		1,54,000

On 1st April, 2012 Ashuji Ltd., was formed to acquire the business on the following conditions.

- i) Building and stock to be taken over at Rs. 60,000/- and Rs. 28,000/- respectively. The other assets to be taken at book values and Sundry Debtors subject provision for R.D.D. at 5%.
- ii) The Goodwill of the firm to be valued at Rs. 42,000/-.
- iii) The firm to discharge the 10% mortgage land and the other Liabilities to be taken at 5% discount.
- iv) Realisation expenses amounted to Rs. 1,000/-
- v) The purchase consideration to be satisfied by issuing 12,000 Equity shares of Rs. 10 each and balance in cash.

You are required to compute the purchase consideration of the firm. [10]

Q3) Write Short Notes (Any Two) :

[10]

- a) Objectives of Accounting.
- b) Purchase consideration.
- c) Accounting Principles.
- d) Receipts and Expenditure A/c.

