Seat No.	

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

Day and Date : Monday, 30 - 11 - 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) A and B were partners sharing profits and losses in the ratio of 75%:25% and C and D were partners sharing profits and losses in the ratio of 60% : 40%. Following were their Balance sheet as on 31st March, 2013.

Balance sheet as on 31st March, 2013

Liabilities	A&B ₹	C&D ₹	Assets	A&B ₹	C&D ₹
Capital Accounts			Land	25,000	18,000
A	30,000		Plant	-	18,000
B	16,000		Furniture	1,500	-
C		20,000	Stock	20,000	9,000
D		25,000	Bills Receivable	3,000	-
Creditors	37,500	15,000	Debtors A&B C&D		
Bank loan	-	3,000	16,000 10,000		
Reserve fund	4,000	-	Less RDD (–) 500 (–) 800	15,500	9,200
			Cash	22,500	8,800
	87,500	63,000		87,500	63,000

The two firms amalgamated on 1st April 2013 on the following terms:

i) Goodwill of A & B was fixed at ₹ 20,000 and that of C & D was fixed at ₹ 30,000, which was to be retained in the books of new firm.

ii) Furniture of A & B was not taken over by the new firm, which was taken over by A at ₹ 1,350.

iii) Stock of C & D was not taken over by the new firm but of A & B was taken over at ₹19,200.

iv) A & B sold their land for ₹ 30,000 but C & D was taken over by the new firm at ₹ 25,000.

v) Bank loan of C & D was not taken over by the new firm which was settled by C & D at ₹ 2,900.

vi) A provision of 5% was to be maintained on debtors of both the firms for the bad and doubtful debts where as a provision for discount on creditors was to be maintained at 2% on 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 & C)

A) 'P Ltd'. was formed to acquire the business of X,Y and Z, who share profits and losses in the ratio 2:1:1 respectively. The Balance sheet of the partnership firm on 31-03-2013 was as follows:

Balance sheet as on 31st March, 2013

Liabilities	₹	Assets	₹
Sundry creditors	96,000	Plant & Machinery	1,48,000
Bills payable	64,000	stock	68,000
Investment fluctuation fund	20,000	Debtors	76,000
Capital Accounts		Vehicles	40,000
X	1,00,000	Investments	40,000
Y	48,000	Cash in hand	4,000
Z	48,000		
	3,76,000		3,76,000

'P Ltd.' took Plant & Machinery, Stock and Debtors at 10% less than the book value and agreed to pay ₹ 40,000 for the Goodwill. It also agreed to pay the creditors at book value. The purchase consideration was satisfied in 1,600 shares of ₹100 each and the balance in cash. X took the Vehicles at ₹ 32,000. Investment were sold in the market for ₹ 36,000. The partnership firm paid bills payable at 10% discount. Realisation expenses amounted to ₹ 9,200. You are asked to prepare Realisation A/c and Partners captial A/c in the books of the firm. **[10]**

OR

B) Dr. Swati commenced her practice on 1st April 2012 with Rs. 15.000. Her Receipts and Payments Account for the year ending 31st March, 2013 was as under:

Receipts & Payments A/c. for the year ending 31-3-2013

Receipts	₹	Payments	₹
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

Amounts oudstanding for visits and dispensing were ₹1,200 and 900 respectively. Salary payable to Assistant amounted to ₹600. 40% of travelling expenses were to be domestic purpose. Stock of drugs on 31-3-2013 was ₹800. Amount payable for purchase of drugs was ₹300. Furniture and Equipments to be depreciated at 10%. Prepare Receipts and Expenditure A/c of Dr. Swati. **[10]**

OR

C) Ravi and Sunil were partners sharing profits in the ratio of 3:1 respectively. Theri Balance sheet as on 31-3-2013 was as follows.

Balance sheet

Liabilities	₹	Assets		₹
Creditors	20,000	Fixed Assets		50,000
Bills Payable	4,000	Loose Tools		4,000
Ravi's loan A/c	6,000	Bills Receivable		8,000
Liabilities for repairs	4,000	Stock		15,000
General Reserve	8,000	Debtors	14,000	
Capital A/cs		Less. R.D.D	2,000	12,000
Ravi	32,000	Cash in hand		2,000
Sunil	17,000			
	91,000			91,000

The partnership was converted into Ltd. company on that date, subject to the following adjustments.

i) Fixed Assets include a Motor car of Rs. 8,000.

ii) The company agreed to take over fixed Assets at ₹ 52,000. Stock at ₹14,000 and Debtors at ₹13,000. The company also agreed to pay creditors and Bills payable at 10% discount.

iii) Motor car was sold by the firm for Rs. 10,000.

iv) Bills Receivable were taken over by Ravi for ₹7,000 where as Sunil took the loose tools for ₹ 3,000.

v) Ravi's Loan and liability for Repairs were paid in full.

vi) Realisation expenses amounted to ₹2,400.

vii) Goodwill was valued at 3 years purchase of the average profits of the last 4 years.The profit figures are as follows: 2010 profit ₹4000,2011 Profits ₹ 8,000, 2012 loss ₹ 2,000 and 2013 profit ₹14,000.

viii) The purchase consideration was discharged by issuing 7,500 equity shares of ₹10 each at ₹ 8 per share paid and the balance in cash. You are required to compute the Purchase consideration of the firm. **[10]**

Q3) Write short notes (Any Two): **[10]**

a) Receipts and Expenditure Account

b) Entity concepts.

c) Objectives of Accounting

d) Purchase consideration

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