

Seat No.	
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B.Com. (Part - I) (Semester - I) Examination, November - 2016
FINANCIAL ACCOUNTING (Paper - I)
Sub. Code : 59640

Day and Date : Saturday, 26 - 11 - 2016

Total Marks : 50

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

- Instructions :
- 1) All questions are compulsory.
 - 2) Figures to the right indicates full marks.
 - 3) Calculator is allowed.

Q1) The following were the balance sheet as at 31st March 2015 of M/S A & B and X & Y

Balance Sheet of A & B

Liabilities	Rs.	Assets	Rs.
Sundry creditors	10,000	Cash at Bank	2,800
Mrs A's Loan	2,500	Stock	10,200
		Debtors	7,500
Capital			
A	20,000	Furniture	2,000
B	10,000	Premises	20,000
	42,500		42,500

Balance sheet of X and Y

Liabilities	Rs.	Assets	Rs.
Sundry creditors	12,000	Cash at Bank	3,350
Capital		Stock	9,150
X	12,000	Debtors 10,000	
Y	8,000	(-) R.D.D 500	9,500
		Furniture	2,500
		Investment	7,500
	32,000		32,000

The two firms decided to amalgamate their businesses as from 1st April 2015 under the name of M/S Joinder traders. For this Purpose it was agreed that Mrs. A's Loan should be repaid by that firm and the investment of M/S X and Y be not taken over by the new firm.

Good will of M/S A & B was fixed at Rs. 4,000 and that of X and Y at Rs.5,000. Premises were revalued at Rs.25,000 but the stock of M/S A and B was found overvalued by Rs.1625. The stock of M/S X and Y was under valued by Rs. 1,000. A reserve of 5% on debtors was to be created for bad debts of both the firms.

The total capital of the joinder traders was to be Rs. 40,000 and the capital of A,B, 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 the P & L adjustment A/c and partners capital A/C in the books of both the firms [10]
- Opening balance sheet of the new firm [10]

Q2) Solve any two of the following

- Dr. Rajendra commenced practice as a dentist investing Rs. 50,000 in equipments on 1st January 1999. The receipt & payments A/C for the year as follows.

Receipts	Rs.	Payments	Rs.
To Fees	1,00,000	By salaries	15,000
To miscellaneous	200	By rent	5,000
Receipts		By journals	3,000
To equipment	4,000	By library books	6,000
Sold		By equipments	8,000
		By Drawings	24,000
		By Balance	
		At Bank	43,000
		In hand	200
	1,04,200		1,04,200

Rs. 3,000 of the fees were still outstanding. Equipments sold and purchased were on 1st oct 1999, the cost of the equipments sold was Rs. 6,000. Depreciation on equipments 20% and on library books 5% salaries outstanding Rs. 2,000.

Prepare receipts and expenditure A/C and balance sheet as on 31-12-1999. [10]

OR

- b) AB 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 Ltd. co. The Gurudas co.Ltd.

The balance sheet of the firm on the date of conversion shows the following position.

Balance sheet of M/S ABC as on 31-3-2008

Liabilities	Rs.	Assets	Rs.
Sundry creditors	48,000	Building	60,000
		Plant and machinery	36,000
Bills payable	3,000		
		Motor van	24,000
General reserve	12,000	Furniture	5,000
Capital A/c		Stock	9,400
A	60,000	Sundry debtors	52,000
B	56,000	Investment	12,000
C	34,000	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 the issue of sufficient number of equity shares of Rs. 100 each fully paid.

The firm sold investment 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.

You are required to calculate purchase consideration and prepare realisation A/c in the books of the firm. [10]

- c) Following is the balance sheet of doctor prasad as on 31st March, 1999 and receipts and payments A/c for the year ended 31st March, 2000
Balance sheet, as on 31st March, 1999

Liabilities	Rs.	Assets	Rs.
		Cash in Hand	4,000
Outstanding expenses	5,000	Cash at bank	12,000
Reserve for outstanding Fees	6,000	Fees due but not Received	8,000
Capital	81,000	Equipments	20,000
		Furniture	8,000
		Motor car	40,000
	92,000		92,000

Receipts & payments A/c. for the year ended 31-3-2000

Receipts	Rs.	Payments	Rs.
Cash balance	4,000	Office expenses	15,000
Bank balance	12,000	Motor car expenses	14,000
Fees received	60,000	Travelling	8,000
		Cash in Hand	9,000
		Cash at Bank	30,000
	76,000		76,000

- i) Fees outstanding as on 31-3-2000 Rs. 10,000
ii) Depreciate motor car by 20%, Furniture at 10% and equipments are valued at Rs. 17,000

Prepare receipts & expenditure A/c for the year ended 31-3-2000 and balance as on 31-3-2000. [10]

- Q3) Write short notes (any two) [10]
- Entity concept
 - Branches of accounting
 - Purchase consideration
 - Objectives of conversion

