

Vidya Vikas Mandal's
 Shree Damodar College of commerce & Economics Margao Goa
 FYB.COM, SEM I, SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015
 (New Syllabus w.e.f 2013)

FINANCIAL ACCOUNTING

Duration:-2 hrs

Marks:-80

Instructions: - - 1) Q.No.1 is compulsory

2) Attempt any three questions from Q.No.2 to Q.No.6.

3) Figures to the right indicate maximum marks.

4) Start each new question on a fresh page.

Q1) Varsha and Pournima were partners in a Beba firm sharing profits and losses equally, decided to convert their business into Limited Company, named Lovely Ltd. as on 1st January 2013, when their balance sheet was :-

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	15,000	Buildings	20,000
Bills Payable	5,000	Plant	6,000
Capitals:-		Furniture	3,300
Varsha	20,150	Debtors	10,000
Pournima	15,150	Stock	11,000
		Cash	5,000
TOTAL	55,300	TOTAL	55,300

Lovely Limited agreed to take over all the assets and liabilities at the values stated below:-

- Buildings Rs.22,300 Plant Rs.5,000 Furniture Rs. 2,750 Stock Rs. 10,000 Debtors subjected to a provision for doubtful debts at 5% and Creditors at discount of 3%.
- The company issued 2,750 equity shares of Rs.10 each at 12 per share and the balance of purchase price is paid in cash.
- The company issued for cash 2,000 equity shares at Rs.12 each for cash to the public. All the shares were taken up and paid for.

Prepare in the books of Lovely limited journal entries and opening Balance Sheet. (20 marks)

Q2) A machinery was purchased for Rs. 50,000 on 1st January 2010. It has been decided to provide for its annual depreciation as also for its replacement at the expiry of the terms on the Sinking Fund basis. A reference to the Sinking fund table indicates Re 0.1950 per annum amounts to Re.1 in five years at 5%. At the end of the third year, machinery had to be scraped at Rs. 2,000. Investments sold out on that date for Rs. 20,000. On 1st January 2013, new machinery was purchased for Rs. 80,000. Investments were in multiples of Rs.100.

Show Machinery Account, Sinking Fund Account, and Sinking Fund Investment Account for the years 2010, 2011 and 2012. (20 marks)

Q3) Audumber keeps his books by Single Entry. An analysis of Cash Book for the year ended 31st December, 2013, given the following particulars:

DEBIT SIDE	AMOUNT
Opening Balance (1/1/2013)	3,990
Received from Debtors	1,23,750
Loan from Nanda (taken on 1/7/2013 at 15 % p.a.)	3,000
TOTAL	1,30,740
CREDIT SIDE	
Payments to Creditors	96,510
Salaries	7,500
Light and Power	1,000
Wages	8,000
Paid for private expenses of proprietor	4,680
Printing and Stationary	1,680
Carriage and Freight	2,520
Rent	1,170
Purchase of new machinery	2,000
Closing Balance (31/12/2013)	5,680
TOTAL	1,30,740

Assets and Liabilities were as follows:-

Particulars	1 st January 2013	31 st December 2013
Sundry Debtors	3,000	4,500
Sundry Creditors	7,500	6,000
Stock	12,000	10,500
Plant and Machinery	27,000	27,000

Prepare Trading and Profit and Loss Account for the year ending 31st December, 2013 and balance sheet as on that date.

(20 marks)

Q4) Saras Co. Ltd was formed to take over the business of Chetan and Saish who were sharing profits and losses in the ratio of 3:1. The balance sheet of the firm was as under:-

Liabilities	Amount	Assets	Amount
Creditors	50,000	Goodwill	40,000
Bills payable	10,000	Building	1,00,000
Bank Overdraft	50,000	Plant	50,000
Loan from Saish's wife	2,000	Investments	30,000
Capital Accounts:		Stock	44,000
Chetan	1,38,500	Debtors	44,000
Saish	59,500	Less: Provision	4,000
		Cash	6,000
TOTAL	3,10,000	TOTAL	3,10,000

- The company agreed to take over the assets including cash at book value except the building and debtors which were taken over at Rs. 1,10,000 and 34,000 respectively. However Investments were retained by the partnership firm and were sold by them for Rs. 28,000.
- The firm also discharges a loan of Saish's wife.
- The company took over the remaining liabilities at book value.
- The value of goodwill was fixed at Rs. 20,000 only.
- Purchase Consideration was paid by the issue of 9,000 equity shares of Rs. 10 each at Rs. 8 per share and the balance in cash.
- The Equity Shares in the Saras co. Ltd is to be distributed amongst the partners in their capital sharing ratio.

Prepare Realisation A/c, Partners Capital A/c, Saras Co. Ltd A/c, Shares in Saras Co. Ltd A/c, Cash A/c

(20 marks)

Q5) a) Prepare necessary Vouchers for the following transactions in the books of Shaikh Agencies Pvt. Ltd, Ponda Goa.

2013 (April)

1st Paid to Anar Stores Rs. 1125 as per Bill No. 143 for purchase of goods.

5th Paid Rs.475 to Raju for hire of his taxi No. GA-02-V-3535 for official visit to Panjim and back.

9th Cheque No. 994001 issued to TATA Wholesalers against Bill No. TA 667788 for Rs.50,000 drawn on SBI Vasco.

12th Sold on credit to Mr. Ajay goods worth Rs. 20,000 via Bill No.100. (10 marks)

b) State and explain the different types of Books/ Registers maintained by the trading concerns.

(10 marks)

Q6) Write short notes on ANY FOUR of the following: -

(5marks X 4)

- a) Convention of consistency
- b) Importance of Accounting standards
- c) Money Measurement Concept
- d) Dual Concept
- e) Annuity Method
- f) Revenue Recognition.
