

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao Goa  
First Year B.Com – Semester I  
*May/June Supplementary Examination 2016*  
FINANACIAL ACCOUNTING

Duration: 2 Hours

Max. Marks: 80

- Instructions: 1. Question No. 1 is compulsory  
2. Attempt any three questions from Q. No. 2 to Q. No. 6  
3. Figures to the right indicate marks allotted to the question  
4. Give working notes where required

**Q. No. 1.** Mr Darshan carries on a Grocery business and keeps his books under Single Entry System. The following particulars are extracted from his books: 20 mks

Particulars	1 <sup>st</sup> July 2012	30 <sup>th</sup> June 2013
Plant & Machinery	25,000	25,000
Stock	22,000	19,500
Sundry Debtors	8,000	25,500
Sundry Creditors	12,500	10,000
Cash in hand	4,00	8,00
Bank balance	6,250	7,000

The following cash transactions took place during the year ending 30<sup>th</sup> June 2013:

Particulars	Amt (Rs)	Particulars	Amt (Rs)
Received on Sales	31,250	Payment for Purchases	28,850
Received from Sundry Debtors	1,60,000	Payment to Sundry Creditors	1,32,000
		General expenses	21,450
		Wages	15,000
		Drawings	6,800
	<b>1,91,250</b>		<b>2,04,100</b>

During the year, Darshan had taken goods from the business for his own consumption which amounted to Rs. 1,950.

You are required to prepare Statement of Affairs as on 1<sup>st</sup> July 2012, Total Debtors A/c, Total Creditors A/c, Trading and Profit & loss A/c for the year ended 30<sup>th</sup> June 2013 after charging Depreciation on Plant & Machinery @ 10%, also prepare Balance Sheet as on 30<sup>th</sup> June 2013.

**Q.No.2** Atish and Nitish are partners sharing profit and losses in the ratio of 2:1. Following are the details of the balance sheet as on 31/03/2013. 20 mks

LIABILITIES	Amt (Rs)	ASSETS	Amt (Rs)
Capital A/c		Fixed Assets	60000
Atish	50000	Stock	35000
Nitish	40000	Debtors	65000
Nitish's loan	30000	Bank	15000
Creditors	55000		
	<b>175000</b>		<b>175000</b>

1. The partners accepted to convert their firm into Angle Indian Ltd. which acquired the stock and the fixed assets except two motor cars.
2. The Purchase consideration was to be satisfied by cash payment of Rs. 56000, 400 Preference shares of Rs. 100 each and 900 Equity shares of Rs. 100 each.
3. Debtors realised Rs. 61000 and creditors are settled for Rs. 51000.
4. Atish took over one car at Rs. 12000 and Nitish took the other car at Rs. 8000.
5. Nitish's loan to be transferred to his capital account.
6. Nitish to be given Preference shares to the value of his loan and the remainder to be allotted to Atish.

Prepare Realisation A/c, Partners Capital A/c, Angle Indian Ltd. A/c, Cash A/c.

**Q.No.3** A company purchased a 5 years lease on 01-01-2001 for Rs.50,000. A depreciation fund was created for the purpose of its replacement & annual amount to be invested @ 5% p.a. as per sinking fund table is Rs. 9,050 annually. The investments are sold for Rs.43,000 at the end of the fifth year. Prepare lease A/c, Sinking fund A/c and Sinking fund Investment A/c. The company invests in the multiples of Rs.100.

**20 mks**

**Q.No.4** Akbar and Birbal were partners in M/s Abbu & Co. sharing profits and losses equally and they decided to convert the business into AB Ltd.

**20 mks**

LIABILITIES	Amt (Rs)	ASSETS	Amt(Rs)
Creditors	30000	Building	40000
Bills Payable	10000	Plant	12000
Capitals		Furniture	6600
Akbar	40300	Debtors	20000
Birbal	30300	Stock	22000
		Cash	10000
	<b>110600</b>		<b>110600</b>

Akbar & Birbal agreed to take over all assets and liabilities at agreed values:

1. Stock 20,000, Debtors subjected to a provision of doubtful debts at 5%, Creditors at a discount of 3%
2. The company issued 5500 equity shares of Rs. 12 per share having a face value of Rs. 10.
3. The Company issued for cash 4000 Equity shares at Rs. 12 each to public.

Pass necessary journal entries and prepare balance sheet in AB ltd.

**Q.No.5 (a)** Prepare necessary vouchers for the following transactions of M/S Costa Agencies Pvt, Ltd Vasco Goa during the month of August 2015.

**10 mks**

**01-08-2015:** Paid to laxmi stores Rs. 5,000 as per bill no 123 for purchases.

**10-08-2015:** Paid to Postage & Telegram department Rs. 3,00.

**22-08-2015:** Paid Rs. 5,00 to Raju for hire of his taxi No GA-08-V-5533 for office visit to Margao and back.

**25-08-2015:** salary paid to Mr. Saaras for the month of August.

**31-08-2015:** Paid via cheque No 435674 for Rs. 5,000 of Canara Bank, to Johnson Agencies towards repair of pump.

**(b)** A firm purchases a lease for 2 years for Rs. 20,000 on 01-01-2010 and decided to provide for its replacement by an Insurance policy, the annual premium being Rs. 9,500.

Prepare Lease A/c, Depreciation fund A/c and Depreciation Insurance Policy A/c. **10 mks**

**Q.No.6** Answer (Any Four) from the following:

**20 mks**

1. Convention of Full Disclosure.
2. Types of receipt vouchers.
3. Features of Single Entry system.
4. Change in method of Depreciation.
5. Concept of Business Entity.
6. Accounting Standard for Fixed Assets.