

S. B. B. Alias APPASAHEB JEDHE ARTS, COMMERCE & SCIENCE COLLEGE, PUNE 02.

**TERM END EXAM. 2014 - 2015
SUB - FINANCIAL ACCOUNTING**

F.Y.B.Com.

Time - 2 hrs.

Marks - 60

Q.1 A) State True or False (any Tree) 3

- 1) Loss on realisation is transfer to partners capital account in their capital ratio
- 2) Accounting data is promptly available & can be easily communicated to the concerned parties.
- 3) In case of insolvency of partner, his deficiency is born by the solvent partner in their profit sharing ration.
- 4) The amalgamating firms agree to end their separate existence.

B) Fill in the blanks. (any tree) 3

- 1) Is the price payable by purchasing company.
i) purchase consideration ii) conversion iii) creditors
- 2) Debit balance on Revaluation Account show
i) Loss ii) Profit iii) no profit no loss
- 3) Bill discount is the.....Liabilities.
i) internal ii) external iii) contingent
- 4) Computer accounting has.....approach.
i) subjective ii) scientific iii) emotional

C) Write short notes. (any tree) 12

- 1) Write a difference between Manual Accounting and Computerized Accounting
- 2) Purchase Consideration
- 3) Advantages of Amalgamation
- 4) Explain the steps of maximum loss method.

Q.2 Following is the Balance sheet of A, B and C who share profit and losses in the ration of 2:2:1 12

Balance sheet as on 31st December 2011

Liabilities	Rs.	Assets	Rs.
Capital		Building	36,000
A	26,000	Machinery	26,000
B	20,000	Stock	10,000
C	6000	Debtors	16,000
A s Loan	10,000	Cash	4,000
Reserve fund	10,000		
Creditors	20,000		
Total	92,000	Total	92,000

The firm was dissolved and the Assets realized as under...

Date 2012	Assets Realised	Expenses
17th January	21,000	1,000
22nd Feb	31,500	1,500
6th Mar	18,600	600

Prepare a statement showing piecemeal distribution of Cash as per maximum Loss Method.

Q.3 The following were the Balance sheet as on 31st March 2011 of two firm of M/S A & B and M/S C & D.

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Balance Sheet as on 31st December 2011

Liabilities	A & B	C & D	Assets	A & B	C & D
Credited	40,000	40,000	Land & Building	45,000	-
Reserve Fund	16,000	9,000	Furniture	-	10,000
Outstanding Wages	3,000	---	Plant & Machinery	58,000	-
Mrs. Cs Loan	---	5,000	Stock	16,000	48,000
Bills Payable	10,000	17,000	Debtors	8,000	25,000
Capital A/C			Bills receivable	1,000	10,000
A	40,000	---	Investment	-	12,000
B	38,000	---	Cash in hand	19,000	16,000
C	----	26,000			
D	---	24,000			
Total	1,47,000	1,21,000	Total	1,47,000	1,21,000

A & B Shared profit & losses in the ratio of 3:2 and C & D 2:1. The two firm decided to amalgamate their business from 1st April 2011 on the following term and condition :

- 1) Plant & Machinery to be depreciated by 10%
- 2) Land & building to be appreciated by 2%
- 3) Debtors to be taken after providing for R.D.D. at 5% both of the firms.
- 4) Provision for discount on creditors of both firms was also to be made at 2%
- 5) Outstanding wages are paid in full by the old firm. All other liabilities except Mrs. Cs, Loan are taken over by the new firm.
- 6) Mrs. Cs Loan was taken over by Mr. C.
- 7) Goodwill of A & B was agreed at Rs. 15000/- and that off C & D at Rs. 12000/-. Its further agreed that goodwill shall not be retain in the books of new firm.
- 8) Other Assets were taken at book value.
- 9) The capital of new firm was to be Rs.1,80,000/- and the capital of A, B, C and D was to be there profit sharing ratio which was 3:2:3:2 respectively and necessary adjustment were to be made by cash.

Prepare Revaluation accounts, partners capital accounts in the books of old firm and Amalgamated balance sheet of the new firm.

Q.4 X, Y and Z were partners in a firm sharing profit & losses in the ratio off 2:2:1 respectively, They decided to convert their firm into ABC Ltd.

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Balance Sheet as on 31st March 2011

Liabilities	Rs.	Assets	Rs.
Capital A/c		Building	30,000
X	30,000	Plant & Machinery	18,000
Y	24,000	Motor Van	12,000
Z	17,000	Furniture	2,500
Sundry Creditors	24,000	Stock	4,700
Bills payable	1,500	Debtors	26,000
Reserve fund	60,000	Investment	6,000
		Cash	7,300
Total	1,06,500	Total	1,06,500

1) ABC Ltd. Agreed to take over the following assets at value shown below :

Assets	Rs.
Building	32,000/-
Plant & Machinery	16,500/-
Furniture	2,000/-
Stock	7,800/-
Goodwill	4,000/-
Debtors	24,700/-

2) The company has also agreed to take over sundry creditors at Rs. 22,000/-.

3) The company paid the purchase consideration by issue of sufficient number of equity share of Rs. 100/- each fully paid at par.

4) The firm sold investment for Rs. 8,000/- and paid the bills payable fully.

5) The motor van was taken over by X at book value.

6) The firm paid realization expenses of Rs. 800/-

Prepare necessary ledger accounts in the books of X, Y, and Z and purchase consideration.
