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

TERM END EXAM - 2016 - 2017

SUBJECT :- FINANCIAL ACCOUNTING

F.Y. B.Com. Time - 2 hrs.

Marks - 60

Q.1 A) **State true or false (any three).** 3

1) Local Body Tax is example of preferential creditors.
2) Goodwill written off is Credited to all partners capital Account.
3) Computer accounting has scientific approach.
4) As per the net asset method, purchase consideration is equal to total capital.

B) **Fill in the blanks. (any three)** 3

1) Decrease in the value of asset is .... to revaluation account.

i) Debited ii) Credited iii) Ignored

2) Debit balance on Revaluation Account shows ....

i) Loss ii) Profit iii) No profit no loss

3) Total Capital due minus cash available = ...

i) National loss ii) Excess capital iii) Maximum Loss

4) Assets are transfer on .... Realization account.

i) Ignored ii) Credited iii) Debited

C) **Write short notes. (any three)** 12

1) Explain the difference between Manual accounting & computerized accounting.
2) Write a order of payment of various claims on dissolution of partnership firm.
3) Advantages of computerized Accounting.
4) Purchase Consideration.
5) Advantage of amalgamation of firms.

Q.2 Following is the Balance sheet of A B and C who share profit and losses in the ratio of 3:2:1. 12

Balance sheet as on 31st December 2013

Liabilities	Rs.	Assets	Rs.
Capital		Building	11,000
A	24,000	Bills Receivable	400
B	26,000	Furniture	2,100
C	18,000	Debtors	27,100
General Reserve	12,000	Cash	2,000
Bank Loan	8,000	Goodwill	15,000
		Stock	30,400
Total	**88,000**	**Total**	**88,000**

P.T.O.

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

Date 2012	Assets Realised
31st January	9,000
31st January	8,000
31st Mar	23,800

2) Realization exps : Estimated 6,000 & Actual 1,000

Prepare a statement showing piecemeal distribution of Cash as per Surplus Capital Method.

Q.3 P & Q were partners Sharing profit & losses in the ratio 3:2 and R & S were equally their Balance - Sheet as on march 2013. 18

Balance Sheet as on 31st March 2013

Liabilities	P & Q	R & S	Assets	P & Q	R & S
Credited	20,000	30,000	Furniture	24,000	18,000
Bills Payable	8,000	10,000	Fixture	3,200	2,400
Outstanding Salary	4,000	3,000	Machinery	40,000	54,000
Mrs. Q's Loan	20,000	—	Stock	40,000	48,000
Mrs. S's Loan	---	20,000	Debtors	38,000	34,000
Capital A/c			Cash in hand	6,800	6,600
P	60,000	---			
Q	40,000	---			
R	---	50,000			
S	---	50,000			
Total	1,52,000	1,63,000	Total	1,52,000	1,63,000

The two firms amalgamated on the following terms :

1) Mr. Q agreed to pay Mrs. Q loan and Mr. S agreed to pay Mrs. S loan.
2) Outstanding salary were paid in full by the respective firms.
3) Creditors of both of firm were taken by the new firm at a discount of 5%.
4) Machinery is subject to 5% depreciation of both firms.
5) Furniture of R & S was sold in the market for Rs. 16,000 and P & Q was not taken over by new firm.
6) Fixture of both of firms were not taken over by new firm.
7) Stock of P & Q was valued at Rs. 44,200 and Stock of R & S was valued at Rs. 42,000.

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 XYZ Ltd. 12

Balance Sheet as on 31st March 2013

Liabilities	Rs.	Assets	Rs.
Capital Accounts		Building	30,000
X	30,000	Machinery	18,000
Y	28,000	Furniture	2,500
Z	17,000	Debtors	26,000
Sundry Creditors	24,000	Stock	4,700
Bills Payable	1,500	Cash	7,300
Reserve Fund	6,000	Motor Van	12,000
		Investment	7,300
Total	**1,06,500**	**Total**	**1,06,500**

The partners agreed to sell their business to Ltd. Company.

1) The company agreed to take over the following assets at value shown below Building 32,000/- Furniture 2,000/- Machinery 16,500/- Stock 7,800/- Goodwill 4,000/- Debtor 24,700/-
2) The company has also agreed to pay Sundry Creditors at Rs. 22,000/-
3) The company paid the purchase consideration in shares of Rs. 100 each.
4) The firm sold investment for Rs. 80,000/- & paid of 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.

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