TILAK MAHARASTRA VIDYAPEETH, PUNE BACHELOR OF COMMERCE (B.COM.) EXAMINATION DECEMBER 2022 SEMESTER - II

Sub.: Financial Accounting (Paper II) (BCOM-116)

Date: 20/12		Total Marks: 60	Time: 10.00 am to 12.30 pm	
Instruction	s: 1) All questions a			
	2) Figures to the r	ight indicate full marks.		
Q. 1 (a)	Fill in the blanks (A	any 5)		(05)
1.	A partnership firm is	converted into a cor	npany.	
	a) Limited		b) Partnership	
	c) Unlimited		d) Joint Stock company	
2.		nership business is sold to limi	* *	
	a) Unlimited		b) Conversion	
	c) None of these		d) Limited	
3.		nod purchase consideration is t		
taken over and liabilities accepts by Purchasing company.				
	a) Net Payment		b) Lump sum	
	c) Net Assets		d) None of these	
4.		nsfer of ownership of goods to	the buyer only when last	
	installment is paid.			
	a) Installment system	n	b) Hire Purchase	
_	c) None of these		d) Deprecation	
5.	Hire Purchase Act	·		
	a) 1972		b) 1978	
	c) 1388		d)1488	
6.	is considered :	as the language of business.		
	a) None of these		b) Accounting	
	c) Journal		d) Book keepimg	
7.	Depreciation is charg	ged on		
	a) Creditors		b) Cash	
	c) Fixed Assets		d) Current	
Q. 1 (b)	State whether the fo	ollowing statement are true o	or false (any 5)	(5)
1	Debit what comes in	, Credit what goes out.		
2	Book keeping starts	where accountancy ends.		
3	AS 2 stands for Valu	ation of Inventories.		
4	Aim of very business	s is to earn profit.		
5	Ledger recorded the	daily transaction.		
6				
	Income.	•		
7	Trading account is pr	repared to find out Net Profit.		
Q. 2 (a)	Q. 2 (a) A and B were in partnership firm sharing profit and losses in the ration of 2			
	respectively. There b	valance sheet on 31st December	r, 2018 was a follows:	

Balance Sheet

Liabilities	Amount	Assets	Amount
Sundry Creditors	y Creditors 40,0000 Plant & Machinery		20,000
Bills Payable	10,0000	Bills Receivable	5,000
Mrs A's Loan	20,000	Stock	43,700
Reserve Fund	6,000	Sundry Debtors 60,000 (-) R.D.D 3,000	57,000
Capital Accounts:		Cash in Hand	300
A	30,000		·
В	20,000		

1,26,000	1,26,000

- The company to take over the assets at valuation shown below: Plant and Machinery 16,000, Bills Receivable 5,000, Stock 39000, Sundry Debtors 46,700.
- 2. The good was valued at three years purchases of the average profits of the last four years .Profit figures are:

2015 Profit 6,000 2016 Profit 4,000 2017 loss 3,000 2018 Profit 1,000

- 3. The company agreed to pay the creditors which were agreed at Rs.39,000.
- 4. The expenses of realization mount to be Rs .300.
- 5. The Bills Payable and Mrs A's Loan are paid by the firm in full.
- 6. The company paid 3,600 equity shares of Rs 10 each and balance in cash as purchase consideration .
- 7. The shares are to distributed in profit sharing ratio to the partners .

 Prepare Realization Account, Partners Capital Account, Cash Account and Y Ltd Company Accounts

OR

Q. 2 b) The 'X' Co .Ltd formed to acquire the business of A,B and C who share profit and losses in the ratio of 2:1:1 respectively. The balance sheet of the partnership firm 31st December ,2018 was as follows:

Balance Sheet

Liabilities	Amount	Assets	Amount
Capital Accounts:		Plant & Machinery	37000
A	25000	Stock	17000
В	12000	Motor Car	10000
С	12000	Debtors	19000
Reserve Fund	5000	Investments	10000
Creditors	24000	Cash	1000
Bill Payable	16000		
	94000		94000

The 'X' co. Ltd took Plant and Machinery, Stock and Debtors at 10% less than the book value and agreed to pay Rs 10,000 for Good will . Its is also agreed to pay the creditors at book value . the purchase consideration was satisfied in 400 shares of Rs 100 each and the balance in cash .

'A' took the Motor Car at Rs .8,000. Investment were sold in the market for Rs.9,000 . The partnership firm paid Bills payable at 10% discount .Realization expenses amounted to Rs 2,300.

The Partnership Firm sold the shares of 'X' at Rs 36,000.

Draw up Realization Account ,X Co ltd . Partners Capital Account and Cash Account in the books of M/s A,B,C.

Q. 3 a) On 1.1.2019 Raj delivered to Apple a machine on Hire –Purchase System. Rs 5,000 being paid on delivery and balance in 5 installments of Rs 5000 each, payable on 31st December every year. The cash price of the machine was Rs.25000. Show Machinery Account and Raj's Account in the books of Apple assuming that he close his books on 31st December every year and rate of depreciation is @10% p.a. on Diminishing Balance Method.

Q. 3 b) Write short notes. (Any 2)

(05)

(15)

(10)

- 1 Need for Conversion
- 2 Hire Purchase
- 3 Installment system
- 4 Ledger
- **Q. 4 a)** From the following Receipts and Payment account for the year ended December 2018 and additional Information of Amurt Sports Club Pune ,prepare the Income and Expenditure and Balance sheet as on that date.

Receipt	Amount	Payment	Amount
To Opening Stock	8,600	By Sport Materials	16,000

		Purchased	
To Donation	13,800	By Insurance	500
To Subscription	15,600	By Furniture	2,900
To Locker Rent	1,550	By Investments	5,000
To Entrance Fees	1,300	By Playground	1,700
		Expenses	
		By Salaries	3,200
		By Postages	450
		-	
		By Printings	1,650
		By Repairs of Sports	830
		Material	
		By Expenses of	850
		Matches	
		By Sundry Expenses	1,470
		By Closing cash	6,300
		Balance	
	40,850		40,850

Adjustment:

1. The assets on 1st January 2018 were as follows:

Land & Building	3,00,000
Furniture	10,000
Playground	25,000
Sports Materials	22,000
Investments	8,000

- 2. Subscription received included Rs 300 for 2017 and Rs800 for 2019 wheras subscription of Rs 2,500 are outstanding for 2018.
- 3. Half of donation and full amount of entrance fees are to be capitalized .
- 4. Outstanding Salaries amounted to be Rs 650 and Insurance of Rs 200 was Prepaid .

Depreciate Land and Building @2.5% Furniture 7.5% and Sport Material @12.5% on opening balances.

OR

Q. 4 b) On 1.1.2018 the Sky Co. Ltd obtained wagon on the hire –purchase system .The cash price of the wagon was Rs 25,000 The payment was to be made as Rs 5,000 down and the balance by installments of Rs 4000per year with interest at 4%.

You are required to show the Wagon Account in the book of Sky Co. Ltd assuming depreciation is to written off at 5% annually.