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BACHELOR OF COMMERCE (B. COM)
EXAMINATION: MAY 2024
FIRST SEMESTER
Sub.: Financial Accounting (BCOM19-101)

Date: 16/05/2024

Total Marks: 100

Time: 10.00 am to 1.00 pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. (A) Fill in the blanks (Any 5) (10)

1. ----- recorded the daily transaction of a business in order of their occurrence.

a) Journal	b) Debit
c) Ledger	d) Credit

2. Highest relative capital method is known as -----.

a) Surplus capital method	b) None
c) Double entry method	d) Maximum loss

3. Notional Loss Method is known as

a) Surplus capital method	b) None
c) Double entry method	d) Maximum loss

4. ----- Entry system prevents fraud and errors.

a) Double	b) Surplus
c) Single	d) Maximum

5. Assets = _____ + Capital

a) Asset	b) Ledger
c) Liabilities	d) Cash

6. Depreciation should be considered as -----.

a) Expenditure	b) Fixed
c) Income	d) Original

7. ----- have fast operating capacity.

a) Manual	b) Computers
c) Tools	d) None

(B) State whether the following statements are true or false (any 5) (10)

1. Accounting is considered as the language of business.
2. Personal accounts say debit what comes in, and credit what goes out.
3. Expenditure is recurring in nature.
4. Capital is the amount invested by the proprietors into business.

5. Depreciation is the shrinkage in the value of an asset.
6. Maximum loss method is also known as national loss method.
7. As 17 stands for cash flow statement.

Q. 2. (A) On 1st January 2018 'A' Ltd purchased an Asset of Rs 50,000/- and decided to depreciate it by Annuity method. In four years by charging interest @ 6% p.a. A reference to the annuity table shows. That to depreciate Rs 1 by Annuity method. in 4 yrs @ 6% interest a sum of Re. O. 288591 is required. **(20)**

Prepare Assets A/c depreciation A/c and Interest A/c for 4 yrs.

Calculation are to be made in the nearest rupee.

OR

(B) X, Y and Z were in partnership sharing profits and losses in the ratio of 50% 25% & 25% . The following was their Balance sheet as on 31st December 2023.

Balance sheet as on 31st December 2023.

Liabilities	Amt	Asset	Amt
Capital: X	38000	Machinery	50000
Y	39000		
Z	29000		
Current Profit	4000	Furniture	40,000
Creditors	15000	Motor Car	30000
Property Tax	4000	Debtors	20000
Z's loan	11,000	Bills receivable	15000
Bank loan (Machinery mortgaged as security for loan)	30,000	Cash	9000
		Stock	6000
Total	1,70,000		1,70,000

The first was dissolved and it was agreed that the net realization should be distributed in their disorder at end of each calendar month.

Machinery was disposed after by the Bank and they could recover Rs 25000 only Mr. Z has paid Rs 3000 immediately for repairing motor car to get reasonable return from the sales of that motor car.

The gradual realization were as follows

Date 2023	Amount Realized
January	12000
February	15000
March	10000
April	15000
May	17500

Prepare a statement showing distribution of cash as per surplus capital method.

Q. 3. (A) 'M', 'N' and 'O' were in partnership sharing profit and losses in the ratio 5:3:2 on December 2022 their Balance sheet was as follows. **(10)**

Liabilities	Amt	Asset	Amt

Capital: M	1,40,000	Land	3,80,000
N	1,14,000		
O	26,000		
General Reserve	20,000	Furniture	20,000
Bank loan (secured)	10,000	Goodwill	40,000
Creditors	2,04,000	Book Debts	1,00,000
Ms. M's loan	1,36,000	Stock	80,000
		Cash	30,000
	6,50,000		6,50,000

You are required to prepare a excess Capital Statement

(B) Write short notes. (Any 4)

(20)

- | | |
|------------------------------|--------------------|
| 1. Share | 4. Gross Profit |
| 2. Journal | 5. Dissolution |
| 3. Format of Trading Account | 6. Farm Accounting |

Q. 4. Solve the following problem (Any 2)

(30)

1. Explain the Golden rules of Accountancy in detail with proper example .
2. A ltd. purchased a machinery for Rs 10,000 on 1st Jan 20018. The life of the machine estimated to be 3 years only after which its scrap value will be Rs 1250 only. You are required to pass journal entries and prepare necessary ledger accounts for 3 years. Presuming that Rs 1250 were realizes on sale of machinery. It is proposed to deprecate the machinery by annuity method, charging interest @ 5% p.a. The depreciation to be charged each year amounts to Rs 3275 according to annuity table. Interest is to be calculated to the nearest rupees.
3. Draft Profit and Loss account in detail.
4. From the following particulars prepare crop A/c to ascertain the gross margin made by this division of the from.

Particular	Amount
Opening Stock Grain 6000 Seeds 4000	10,000
Purchase Seeds 1000 Fertilizer 3000	4000
Sales of Grains	30000
Grain distributed as wages	4000
Wages paid in cash	6000
Grain consumed by the proprietor	4000
Grain consumed by the lives to be section	3000
Repairs	2400
Depreciation	600
Crop Insurance	1000
Closing stock: Grain 12000 Seeds 6000	18000