SHREE H.N.SHUKLACOLLEGE OF I.T. & MGMT.

(AFFILIATED TO SAURASHTRA UNIVERSITY)

3- Vaishalinagar
Nr. Amrapali Railway Crossing
Raiya Road, Rajkot – 360001
Ph. No–(0281)2471645 `

2 – Vaishalinagar
Nr. Amrapali Railway Crossing
Raiya Road, Rajkot - 360001
Ph.No–(0281)2440478, 2472590

B.COM Sem-1 **PRELIMS PAPER -2022**

Sub: Financial Accounting - 1 **Marks - 70**

Q - 1A and Bare equal partners while C and D are sharing profit and loss in the ratio of 3 : 2. Both firms decided to amalgamate on 1-4-2006. Name of the new firm will be Pushpak Traders. **[20]**

Liabilities	A and B Rs.	C and D Rs.	Assets	A and B Rs.	C and D Rs.
Capital A/c:			Land-Building	50,000	40,000
A	60,000	-	Plant-Machinery	30,000	35,000
B	50,000	-	Furnitures	20,000	30,000
C	-	40,000	Stock	25,000	15,000
D	-	30,000	Debtors	30,000	18,000
General Reserve	30,000	10,000	Cash Balance	15,000	12,000
Creditors	80,000	70,000	Motorcar	50,000	-
	2,20,000	1,50,000		2,20,000	1,50,000

The terms of amalgamation were as under:

(1) FOR A & B:

1) Land-Building be appreciated by 50% and stock by 20%.
2) Plant-Machineries and Furnitures be depreciated by 20% and 10% respectively.
3) Provision for bad debts be made @ 5% on debtors.
4) Goodwill is to be valued at Rs. 50,000.
5) Motorcar is not to be taken by new firm (Motorcar realised Rs. 30,000 by A & B).

(2) FOR C & D:

1) Land-Building be appreciated by 30% and stock by 10%.
2) Plant-Machineries and Furnitures be depreciated by 30% and 20% respectively.
3) Debtors are to be valued at Rs. 15,000.

The capital of new firm will be Rs. 2,50,000 which will be provided by the partners in their profit sharing ratio of 4:3:2:1.Prepare necessary accounts in the books of A & B and prepare Balance sheet in the books of Pushpak traders.

OR

Q – 1 Sachin & Sehwag distribute Profit and loss in the ratio 2 : 1 in their firm while Rahul andDhoni in the ratio 3:1 in their firm. **[20]**

Balance sheets as on 31-3-2006

Liabilities	Sachin & Sehwag	Rahul & Dhoni	Assets	Sachin & Sehwag	Rahul & Dhoni
Capital :			Office (Premises)	40,000	60,000
Sachin	1,20,000	-	Furniture	16,000	4,000
Sehwag	96,000	-	Stock	80,000	1,04,000
Rahul	-	1,60,000	Debtors	96,000	1,20,000
Dhoni	-	80,000	Bills Receivable	32,000	48,000
General Res.	48,000	80,000	Cash	1,04,000	1,12,000
Worker's Accident Compensation fund	24,000	16,000			
Creditors	50,000	70,000			
Bills payable	20,000	22,000			
Worker's profit Sharing fund	10,000	20,000			
	3,68,000	4,48,000		3,68,000	4,48,000

On the date 1-4-2006, a new firm was established by amalgamating both the firms. Following were the terms and condition for the same.

1) The value of office premises and furniture of both the firms is reduced by 10%.
2) Appreciate stock of both the firms at 20%.
3) Keep 10% Bad Debts reserve on debtors.
4) Goodwill of the firm of Sachin-Sehwag is valued at Rs. 48,000 and goodwill of the firm of Rahul-Dhoni is valued at Rs. 1,28,000.
5) Sachin purchases at 10% discount the bills receivable of the firm of Sachin-Sehwag. The bills receivable of the firm Rahul-Dhoni is to show in the new firm at 25% less value.

Prepare Profit & Loss adjustment account in both the old firms. Prepare capital Accounts of the partners. Prepare balance sheet of the new firm.

Q – 2 Parag & co. sent 500 radios each of Rs. 800 to Umang traders for consignment. The proforma invoice so as to get profit of 20% on invoice price. He paid insurance Rs. 6,000 and freight Rs.7,000. Parag & co. drew a bill worth Rs. 2,00,000 having maturity period of 3 months, which was accepted by Umang traders, the bills discounted at 6% after 1 month. Umang traders is entitled to get 7% commission and 2% del credere commission.

Umang traders paid transportation expenses Rs. 500, insurance Rs. 2,500 and advertisement Rs. 500. 50 radios were destroyed in transit, insurance co accepted the claim of Rs. 30,000. Umang traders sold 300 radios for Rs. 1,200 each by cash. 100 radios for Rs. 1,300 by credit sales to Karan.

Prepare necessary accounts in the books of consignor and pass necessary journal entries in the books of consignor. **[20]**

OR

Q – 2 On 1-1-2017, Julelal of Jalandhar sent 300 T.V. sets at invoice price of Rs. 15,000 (cost price per unit Rs. 12,000) for consignment sale to Ramlal of Rajkot. He paid the expenses as under:
Insurance premium Rs. 3,000, freight Rs. 24,000 and carriage Rs. 6,000.
On 1-1-2017 Julelal has drawn a bill on Ramlal for Rs. 6,00,000 having a maturity period of three months, which was accepted by Ramlal and returned. On 4-2-2017, Julelal discounted this bill @12%. Ramlal is entitled to get 5% commission and 2% Del credere commission.
On 30-6-2017, Ramlal sent Account sale and a draft for the outstanding amount.
The following details are available from account sale:
Ramlal has paid Rs. 15,000 for carriage, Rs. 45,000 for Insurance premium and Rs. 50,400 for advertisement.
6 T.V. sets were destroyed because of the fire in the godown of Ramlal. Insurance company sanctioned and paid claim for Rs. 60,000.
60 T.V. sets were sold @ Rs. 15,000 each on cash basis. 180 T.V. sets were sold @ Rs.18,000 each to Ramesh on credit and 30 T.V. sets were sold @ Rs. 17,000 each to Kamal on the recommendation and at the Risk of Julelal.
Ramesh failed to pay Rs. 60,000, Kamal was declared insolvent; and 50 paise for every one rupee were received as dividend from him.
Prepare:
1. Necessary accounts in the books of consignor.
2. Necessary accounts in the books of consignee. **[20]**

Q – 3 On 1-7-2017 Ram and Shyam of Surat entered into a joint venture to send goods on Consignment to Gopal of Goa. They decided to share profit and losses in the proportion of 3 : 2 respectively.
For the purpose of Sale Ram sent to Gopal the goods worth Rs. 40,000 from his own stock and goods of Rs. 20,000 purchases at 10% trade discount from the market. He paid Rs. 2,000 for freight and Other expenses, while sending the goods.
The following information was available:
For the purpose of sale Shyam also sent to Gopal the goods of Rs. 30,000 having purchased at 10% trade discount from Madhav on credit. He paid Rs 1,000 for freight and other expenses, while sending the goods.
The following information was available form the account sales received from Gopal on 31-12-2017:
He sold whole of the goods for Rs. 1,20,000.
He paid Rs 1000 for expenses.
He sent a bill of exchange for Rs. 70,000 duly accepted by him to Ram. The bill was discounted at a discount of Rs. 1,500.
He sent the remaining amount by a bank draft to Shyam, after deducting the amount of expenses incurred by him and his commission at the rate of 5% on sales, in full settlement of his account.
On 31-12-2017 Ram and Shyam closed the business of joint venture and they settled their accounts relating to joint venture with each other.
Prepare:
(1) Joint Venture Account
(2) Shyam's Account in the books of Ram.
(3) Gopal's Account in the books of Ram. **[15]**

OR

Q – 3 Drashti, Shrushti and Vrushti agreed to construct a building for a company. They decided to share profit or loss in 3:2:1 respectively. They deposited Rs. 2,70,000 in their joint bank account as per their profit sharing ratio. Expenses were as under:
Amount paid from their joint bank account:
Wages 1,95,000, Material 3,05,000 and Plant 20,000.
Architect fee paid by Drashti Rs. 15,000, mixture machine brought by Shrushti Rs. 27,500 where vehicle brought by Vrushti Rs. 20,000.
On completion of the work Drashti took away materials in stock for Rs. 12,500. Shrushti took away mixture machine for Rs. 10,000 and Vrushti took away vehicle for Rs. 15,000. Plant realised Rs. 5,000. Rs. 4,50,000 (being 75% amount of contract price) was received in bank draft and debentures were received for the balance which were purchased by Drashti at 20% loss to its face value.
Prepare following accounts in the book of firm. Assuming that accounts have been settled in between partners.
(1) Joint venture Account
(2) Joint bank Account
(3) Partners' capital Account. **[15]**

Q – 4 X, Y and Z are partners sharing profit and loss in the ratio of 3:1:1. They have taken joint life policy of Rs. 7,00,000. Yearly premium was Rs. 20,000. First premium was paid on 1^{st} January, 2011. Premium paid was considered as capital expenditure.
On 25^{th} April, 2015 X died and insurance company paid amount of policy with bonus Rs. 8,00,000 on 1^{st} June, 2015.
Pass necessary journal entries for all the years. The account year of firm is 1^{st} April to 31^{st} March.
[15]

OR

Q – 4 Radha, Rani and Rupa are partners sharing profit & loss in the ratio of 3: 1 : 1. They have taken joint life policy of Rs. 30,000 on 01-01-2010. Amount of premium is Rs. 3,000 per year. Rani died as on 25-04-2016 and the books of account closed as on 31^{st} December.
The surrender value of policy are as under

Year	Amount
2010	Nil
2011	1,200
2012	1,000
2013	1,200
2014	1,000
2015	600

Pass the necessary journal entries and prepare Joint Life Policy Account. **[15]**