



SHREE H. N. SHUKLA COLLEGE OF I.T. & MGMT.

(AFFILIATED TO SAURASHTRA UNIVERSITY)

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

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Ph.No–(0281)2440478,2472590

BCOM SEM - 2
SUB: Financial Accounting – 2

PRELIMS PAPER – 2023
MARK – 70

Q – 1

[20]

Balance Sheet of Irfan and Munaf as on 1-4-2016 is as under :

Dr.		Balance Sheet		Cr.	
Liabilities		Amt. Rs.	Assets		Amt. Rs.
Capital			Land and building	2,80,000	
Irfan	1,80,000		Machinery	1,40,000	
Munaf	1,80,000	3,60,000	Furniture	40,000	
General reserve		40,000	Debtors	1,10,000	
Loan from Irfan		1,80,000	Stock	80,000	
Creditors		90,000	Bank	50,000	
Bills payable		30,000			
		7,00,000		7,00,000	

Patel Ltd. was incorporated for conversion of the firm into a company, authorised capital of which was 5,000 equity shares each of Rs. 100 and 15%, 2,500 preference shares each of Rs. 100. Conditions for conversion from partnership firm to a company were as under :

- Patel Ltd. took over all the assets as under :
Land-building Rs. 3,20,000, machinery Rs. 1,50,000, goodwill Rs. 1,20,000 (as per new value) and remaining assets at their book value.
- Patel Ltd. also took over all the liabilities other than Irfan's loan.
- 12% Debentures of Patel Ltd. of Rs. 1,80,000 (which were later on given to Irfan for his loan by the firm) and for the balance equity and preference shares of Patel Ltd. were given to the firm in the ratio of 2 : 1 being purchased consideration of the firm.

Prepare accounts in the books of the firm as under :

- Realisation A/c
- Partner's Capital A/c
- Patel Ltd. A/c
- Irfan's Loan A/c
- Patel Ltd.'s Eq. shares A/c
- Patel Ltd.'s 15% Pref. shares A/c
- Patel Ltd.'s 12% Debentures A/c.

Required calculations are to be shown.

OR



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Q – 1

[20]

Jivan, Ajit and Pran are partners sharing profit and loss in the ratio of 4 : 3 : 3. Balance sheet of partnership firm as on 31-3-2016 was as follows :

Assets	Rs.	Liabilities	Rs.
Capital accounts :		Building	2,00,000
Jivan 2,00,000		Machinery	1,00,000
Ajit 1,00,000		Investments	60,000
Pran 1,00,000	4,00,000	Debtors	1,50,000
General Reserve	80,000	Stock	50,000
Workers welfare fund	20,000	Cash/Bank	20,000
Creditors	80,000	Advertisement campaign	20,000
Outstanding Expenses	20,000	(not written off)	
	6,00,000		6,00,000

Firm sold its business to Dharmajivan Ltd. on following conditions.

- (1) Revalued assets are Machinery = Rs. 1,20,000, Stock = Rs. 60,000 and Building = Rs. 2,20,000.
- (2) Other assets (except Cash/Bank and investments) and liabilities are considered as on book value.
- (3) The company agreed to pay Rs. 50,000 as goodwill.
- (4) The company paid 4,000 equity shares of Rs. 100 each and paid rest of the amount by issuing cheque at purchase price.

Partners sold investment at Rs. 54,000, and sold 2,600 equity shares at Rs. 120 per share and remaining they distributed in their profit and loss ratio.

Write Journal entries for sale of shares and prepare (1) Realisation A/c (2) Capital A/c (3) Cash/Bank A/c (4) New Co. Dharmajivan Ltd.'s A/c and (5) New Co.'s equity shares A/c.



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Q – 2

[20]

The Satyam Company Limited was incorporated on 1-4-2008 to purchase the business of M/s. Kapoor Brothers. The authorized capital of the company is 10,000 equity shares of Rs. 10 each. The Balance sheet of the firm as on 31-3-2008 was as under.

Balance Sheet of M/s. Kapoor Brothers as on 31-3-2008

Liabilities	Rs.	Assets	Rs.
Capital :		Land and building	48,000
Rishi : 60,000		Plant and machinery	20,000
Shashi : 40,000	1,00,000	Stock	24,000
Reserves	4,000	Debtors	23,200
Bank loan	3,000	Investment	4,800
Credjtors	22,000	Bills receivable	6,400
Bills pyable	7,000	Bank balance	9,600
	1,36,000		1,36,000

Conditions for the business purchase were as under :

- (1) Land and building at Rs. 50,000 stock at Rs. 24.800 and other assets except investments were taken over at book value.
- (2) Goodwill of the firm is to be valued at Rs. 10,000.
- (3) All the liabilities except bank loan are to be accepted by the company. The firm's dissolution expenses Rs. 1,000 which was borne by the Company.
- (4) Prurchase consideration is to paid in 5,000 fully paid up equity shares at 20% premium, 6% Rs. 50,000 debenture and the rest of the amount in cash.

The remaining shares are issued for the public at 20% premium, which were all taken up and paid for.

Draft journal entires in the Books of Satyam Co. Ltd. and draw the Balance Sheet of the Company.

Or



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Q – 2

[20]

Balance Sheet of Aqbar & Birbal's firm as on 1-4-2006 is as under.

Liabilities	Rs.	Assets	Rs.
Capital :		Land & building	50,000
Aqbar 1,50,000		Plant & machinery	70,000
Birbal 1,00,000	2,50,000	Furniture	40,000
Reserve	30,000	Stock	80,000
Creditors	20,000	Debtors 50,000	
		-BDR 1,000	49,000
		Cash/bank	11,000
	3,00,000		3,00,000

Authorised capital of Rimzim Ltd. is divided into 3,000 equity shares of Rs. 100 each and 2,000 10% cumulative preference shares of Rs. 100 each. The company absorbs the business of the above firm.

2,000 equity shares of Rs. 100 each and 1,200 fully paid preference shares of Rs. 100 each are given as purchase consideration. Remaining shares are offered to public and subscribed fully except Rs. 30 per share on 100 shares. These shares are forfeited and sold to Birbal in cash at Rs. 90 as fully paid up shares.

Pass the entries and prepare initial balance sheet.

Pass the entries and prepare initial balance sheet. (Oct. '96 : 20 marks)

Q – 3

[15]

M/s Kiran, karuna and krupa are partners sharing profit and loss in ratio of 3:2:1 their balance sheet is as under:

Liabilities	Amt. Rs.	Assets	Amt. Rs.
Sundry Creditors	16,000	Cash	4,000
Loan : Kiran	8,000	Fixed Assets	59,000
Karuna	2,000	Debtors	25,000
Capital : Kiran	24,000	Stock	11,000
Karuna	15,000		
Krupa	10,000		
General Reserve	24,000		
	99,000		99,000

Firm was dissolved and assets realised as follows :

First instalment	Rs. 15,000
Second instalment	Rs. 12,500
Third instalment	Rs. 14,500
Fourth instalment	Rs. 16,000

Dissolution Expense was of Rs. 2,000 which was paid in second instalment. It was decided to keep minimum cash balance of Rs. 2,000 till final settlement.

Prepare statement showing piecemeal distribution of cash among partners (using surplus capital method).

Or



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Q – 3

[15]

R, B and P are partners sharing profit and loss in ratio of 2 : 1 : 2. P's capital is Rs. 5,000 more than that of B. While B's capital is Rs. 7,000 more than that of R. Distribution of instalment is as under :

Particulars	Total Rs.	R	B	P
First Instalment	6,000	2,400	1,200	2,400
Second Instalment	46,000	18,400	9,200	18,400
Third Instalment	4,000	1,600	800	1,600
Total deficit	8,000	—	—	—

Find out the capital of each partner and if you do not agree with above distribution, prepare statement showing redistribution of instalment amount on the basis of Surplus Capital Method.

Q – 4

[15]

From the following information of Bata Co., prepare statements showing Trend Percentages:



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Balance Sheets

Particulars	2016-'17 Rs.	2017-'18 Rs.	2018-'19 Rs.
Fixed Assets :			
Land & Building	5,00,000	6,00,000	6,50,000
Plant & Machinery	3,00,000	3,30,000	3,60,000
Furniture	2,00,000	2,00,000	2,60,000
Current Assets :			
Cash & Bank	80,000	48,000	1,12,000
Stock	64,000	51,200	76,800
Bills Receivables	1,00,000	1,00,000	1,00,000
Debtors	1,80,000	2,16,000	1,44,000
Investments	2,10,000	2,94,000	1,26,000
Prepaid Expenses	10,000	16,000	8,000
Total	16,44,000	18,55,200	18,36,800
Liabilities : Share Capital			
Equity Share Capital	6,00,000	8,00,000	8,00,000
Pref. Share Capital	3,00,000	3,00,000	3,60,000
Reserves and Surplus :			
Profit & Loss Account	1,00,000	90,000	80,000
Long-term Capital :			
Debentures	1,50,000	1,50,000	2,25,000
Current Liabilities :			
Creditors	2,10,000	2,52,000	1,68,000
Bills Payables	50,000	75,000	50,000
Provision for Tax	1,50,000	79,000	61,400
Other current debts	84,000	1,09,200	92,400
Total	16,44,000	18,55,200	18,36,800

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Q – 4

[15]

On the basis of the following data of X Ltd. Prepare common size percentage tables.

Particulars	2017-'18 Rs.	2018-'19 Rs.
Fixed Assets :		
Land & Building	7,20,000	14,70,000
Furniture	6,00,000	6,30,000
Total Fixed Assets	13,20,000	21,00,000
Current Assets :		
Cash & Bank Balance	2,40,000	1,50,000
Debtors	3,60,000	3,00,000
Stock	4,80,000	4,50,000
Total Current Assets	10,80,000	9,00,000
∴ Total Assets	24,00,000	30,00,000
Liabilities :		
Equity share capital	9,60,000	15,00,000
Reserve and Surplus :		
Profit & General Reserve	6,00,000	6,00,000
Shareholders' Funds	15,60,000	21,00,000
Current Liabilities :		
Provision for tax	1,20,000	3,30,000
Bills Payable	1,92,000	2,70,000
Creditors	5,28,000	3,00,000
Total Current Liabilities	8,40,000	9,00,000
∴ Total Liabilities	24,00,000	30,00,000