

Name of course: B.A.(P) Sem. I
 Scheme/Mode of Examination: CBCS
 Name of the Paper: Financial Accounting
 UPC/Subject Code: 62411116
 Duration: 03 Hours
 Maximum Marks: 75 Marks

Attempt Any Four Questions. All questions carry equal marks.

1. "In the determination of profit or loss of a business during a year, it is very necessary to distinguish between **capital and revenue expenditure** and **capital and revenue receipts**". Explain with example.
2. The following information is given:
 - a) The Balance Sheet of M/s A and B
 - b) The cash transactions for 12 months to 31st March 2020
 - c) A summary of the remaining transactions for the year

(A)

Bank Overdraft	Rs 5,000	Cash in Hand	Rs 700
Sundry Creditors	36,000	B/R	25,000
Bills Payable	16,000	Sundry Debtors	39,000
Capitals-A	1,10,000	Stock	75,300
-B	90,000	Plant and Machinery	47,000
		Land and Building	70,000
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	2,57,000		2,57,000
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(B)

To Balance (1-4-2019)	700	By Overdraft (1-4-2019)	5,000
To Receipts from debtors	2,90,000	By Salaries	12,000
To Bills Receivables	1,00,000	By Wages	15,800
		By Bills payables	1,43,000
		By Payments to Creditors	1,47,000
		By Office Expenses	8,000
		By Drawings-A	25,000
		-B	20,000
		By Balance (31-3-2020)	
		In hand	2,400
		In bank	12,500
			14,900
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	3,90,700		3,90,700
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(C)

Sales	Rs 4,07,000
Discount to customers	2,000
Purchases	3,00,000
Discount from Suppliers	1,000
B/R received during the year	1,09,000
B/P issued during the year	1,50,000
Stock(31-3-2020)	53,000

Reserve for doubtful debts 5% on debtors outstanding. Provide depreciation on plant and machinery at 5% and on land and building at 2.5%

From these particulars, prepare Trading and Profit and Loss Account for the year ended 31st March 2020 and Balance Sheet as on that date.

3. Dasmesh Ltd. purchased machinery for Rs. 3,84,000 on 1st May 2016 and spend Rs. 16,000 on its installment. On 1st September 2016 additional machinery costing Rs. 1,60,000 was

purchased. On 1st June 2018, the machinery which was purchased on 1st May 2016 having become obsolete and was sold for Rs. 1,45,000 and on the same day new machinery was purchased at a cost of Rs. 3,40,000. Depreciation was provided annually on 31st March at the rate of 10% p.a. on the original cost of the machinery. Pass journal Entries and Show machinery account in the books of Dashmesh ltd .

4. Jai Bharat Ltd sold 3 cars for a total cash price of Rs. 6,00,000 on hire purchase basis to Vinod on 1st April 2016. The terms of agreement provided for of Rs. 2,70,000 as cash down and the balance of cash price in 3 equal installments together with interest at 10% per annum compounded annually. The installments were payable as follows:

1st installment on 31st March 2017, 2nd installment on 31st March 2018 and 3rd installment on 31st March 2019. Vinod paid the first installment on time but failed to pay thereafter. On his failure to pay the second installment, Jai Bharat Ltd. repossessed two cars and valued them at 50% of the cash price. Vinod charges depreciation @10% p.a. on straight line method. Pass journal Entries in the books of Vinod and prepare Jai Bharat ltd.'s account and Goods repossess account in the books of Jai Bharat Ltd. for 2016-2018

5. Arvind of Mumbai invoices goods to its branch at Goa at cost plus 50%. From the following particulars prepare Branch Stock account, Branch Adjustment account and Branch profit and loss account as they would appear in the book of the head office :

	Rs.
Goods sent to branch	75,00,000
Cash sale by branch	5,00,000
Credit sale by branch	68,00,000
Return of goods by branch customer to branch	50,000
Return of goods to head office by branch	3,00,000
Goods pilferages at branch	45,000
Normal loss of goods at branch	9,000
Opening stock at Branch	1,50,000
Opening debtors of Branch	1,00,000
Closing stock at Branch	7,50,000
Branch Salary paid by head office	30,000
Outstanding salary of branch staff	5,000
Branch rent paid by Branch	20,000
Furniture purchased by branch on the instruction of H.O.	50,000
Petty expenses paid by branch	15,000
Cash received from branch debtors	60,00,000
Provide 10% depreciation on furniture	

6. A, B and C trade in partnership sharing profit and losses in 2:2:1. They decided to dissolve the firm with effect from April 1, 2020. On this date, firm has the following balance sheet.

Liabilities	Amount	Assets	Amount

	Rs.		Rs.
Bank Loan (unsecured)	40,000	Plant and Machineries	35,000
Sundry creditors	1,00,000	Land and Buildings	90,000
General Reserve	6,000	Furniture and fixtures	15,000
A's Capital account	64,000	Stock in trade	20,000
B's Capital Account	50,000	Sundry debtors	70,000
C's Capital Account	35,000	Investments	40,000
		Cash and Bank	25,000
	2,95,000		2,95,000

Firm paid its dues as and when it realized cash from the assets.

Assets (excluding cash and bank) were realized in this manner

On April 15, 2020 70,000

On May 05, 2020 75,000

On June 18, 2020 40,000

On July 07, 2020 50,000

If distribution among partners is to be made after each instalment of realization, as far as possible, prepare a statement showing the distribution to the partners at each instalment. Apply the *Surplus Capital Method*

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