

S.Y. Brom AIF
3rd sem
Feb - 2006
LOUDSPEAKER

Financial
Accounting.

Time : 2 hours

Marks : 60

All questions are compulsory
Solve part (A) or part (B) from each of the questions.

Q. 1 A) From the following information prepare final A/c s. for the year 31/3/2005
Trial balance as on 31/3/2005 is as follows:

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Particulars	Debit	Credit	Particulars	Debit	Credit
Opening stock	20,000	---	Bank	50,000	---
Purchase & sales	2,00,000	7,00,000	Building	3,00,000	---
Rent paid & Received	10,000	2,000	Machinery	2,00,000	---
Wages	3,00,000	---	Partners capital		
Postage	2,000	---	A	---	1,00,000
Salaries	50,000	---	B	---	80,000
Debtors & Creditors	60,000	74,000	Reserves	---	50,000
Discount	5,000	1,000			
Cash	10,000	---			
			Total	10,07,000	10,07,000

Additional information :

- 1) Interest on capitals are 10%
- 2) Salary to A Rs. 2000 p.m and 1000 p.m to B
- 3) Closing stock is Rs.40,000
- 4) Depreciation is 5% on building and 10% on machinery
- 5) Purchase include Rs. 10,000 purchased by A for personal use.

OR

Q. 1 B) M & N are partners of MN & Co. and O & P are partner of OP & Co. They decided to amalgamate and form new firm MNOP & Co. The new firm to takeover investments at 10% below cost, Debtors & furniture at Book value, premises Rs. 53,000 land at Rs 66,800, machinery at Rs. 9,000 and such cash which will remain after discharge of partners loans. New firm took over all other liabilities.

Prepare following ledger a/c s. in books of MN & Co. and OP & Co. :-

- i) Realisation
- ii) Partners capital a/c and Balance sheet of MNOP & Co.

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Balance sheet on date of amalgamation

Liabilities	MN & Co.	OP & Co.	Assets	MN & Co.	OP & Co.
Creditors	20,000	10,000	Cash	15,000	12,000
Bills payable	5000	---	Investments	10,000	8,000
Loans M	8,000	---	Debtors	9,000	4,000
O	---	10,000	Furniture	12,000	6,000
Reserves	10,000	4,000	Premises	35,000	---
Capitals			Land	---	50,000
M	35,000	---			
N	22,000	---	Machinery	14,000	---
O	---	36,000	Goodwill	5,000	---
P	---	20,000			
Total	1,00,000	80,000	Total	1,00,000	80,000

Q. 2 A) Following is the Balance sheet of M and A who shared profits and losses in the ratio 3:2

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Balance sheet as on 31/12/2004

Liabilities	Amount	Assets	Amount
Capitals		Cash	6,000
M	50,000	Furniture	30,000
A	50,000	Investments	10,000
Reserves	10,000	Machinery	70,000
M's loan	1,000	Debtors	7,000
Bills payable	2,000		
creditors	10,000		
Total	1,23,000	Total	1,23,000

- 1) The firm dissolved on 31/12/2004
- 2) M took over the Investments at Rs. 9,200
- 3) Debtors realised Rs. 6500 Machinery sold for Rs. 67,500
- 4) A agreed to take over furniture at Rs. 28,000 and agreed to meet bills payable at Rs. 1,500
- 5) Dissolution expenses amounted to Rs. 1,400. Creditors were paid Rs. 9,700 in full settlement. Prepare necessary ledger a/c s.

OR

Q. 2 B) P,Q,R share profits and losses in ratio 2:1:1. They decided to dissolve firm and assets realised as follows:

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1st Realisation → Rs. 12,000, 2nd Realisation → Rs. 25000 and
 3rd Realisation → Rs. 19,000. Realisation expenses were
 Rs. 2000 Show statement showing distribution of cash using maximum loss method.
 There was a contingent liability of Rs. 1500 this was paid at the time of second Realisation
 Balance sheet is as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	10,000	Plant	25,500
Loan	10,000	Stock	15,500
Reserves	14,000	Furniture	5,000
P } Capitals.	20,000	Debtors	17,000
Q }	10,000	Cash	6,000
R }	5,000		
	69,000		69,000

Q. 3 A) Mr. Anil purchased machinery costing Rs. 1,20,000 from Mr. Babu. Anil paid Rs. 20,000 on date agreement i.e. on 1/1/2002. Balance amount is paid in 4 equal instalments with interest of 5%. Year ending is 31st March. Pass journal entries in the books of Anil and Babu for the year ended 31/3/2002 and 31/3/2003. Rate of Depreciation is 10% p.a

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OR

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- Q.3** B) Authorised capital of B Ltd. consist of 2,00,000 equity shares of Rs. 10 each. B Ltd. issued 1,20,000 shares out of which applications were received for 1,00,000 shares. Amount is received as follows: **15**
Rs. 2 on application, Rs. 4 on allotment and Rs. 2 on 1st and 2nd call. Mr. P who subscribed for 100 shares did not pay allotment and both calls. Mr. Q who hold 200 shares did not pay both the calls. Pass journal entries and show how share capital will appear in Balance sheet after all calls are made.
- Q. 4** A) i) State the procedure or steps to be taken in dissolution if all partners are insolvent. **5**
ii) What are the methods of hire purchase. Give journal entries of year 1 in all three methods. **10**

OR

- Q.4** B) Write short notes on : **15**
1) Piecemeal Distribution
2) Bonus shares (issue)
3) Purchase consideration with treatment in books of a/c s.
