Bl. 35 L-12B SYBCOM Acc-II

KL3AAF

TIME : 2 Hrs. **MARKS : 50**

Note :
1) Question No. 1 carries 14 marks, while the remaining Questions carry 12 marks each.
2) Question No. 1 and Question No. 2 are compulsory.
3) Question No. 3 carries internal option, i.e. Question No. 3 OR Question No. 3 out of which any one is to be attempted.
4) Question No. 4 carries internal option, i.e. Question No. 4 OR Question No. 4 out of which any one is to be attempted.
5) In all, Four Questions are to be attempted.
6) Use of simple 12-digit non-programmable calculator is allowed.

Q. 1. A and B were partners in AB & Co. sharing profits and losses in the ratio of 1 : 2. In a similar business, C and D were partners in CD & Co. sharing profits and losses in the ratio of 2 : 1. The two firms decided to amalgamate and form a new partnership ABCD & Co. on and from 31/3/2011, on which date their balance sheets were as follows :-

Balance Sheet as on 31/3/2011

Liabilities	AB & Co. Rs.	CD & Co. Rs.	Assets	AB & Co. Rs.	CD & Co. Rs.
A's Capital	7000	–	Furniture	8,000	10,000
B's Capital	9000	–	Stock	16,000	17,000
C's Capital	–	10,000	Debtors	15,000	16,000
D's Capital	–	8,000	Cash	6,000	12,000
Reserve	9000	12,000			
Creditors	20,000	25,000			
	45,000	55,000		45,000	55,000

The amalgamation was agreed on the following terms :-

a) The new firm will take over all the assets and liabilities of the old firms at the following agreed values :-

Particulars	AB & Co. Rs.	CD & Co. Rs.
Furniture	Book Value	Book Value
Stock	14,000	18,000
Debtors	20,000	24,000
Cash	Book Value	Book Value
Creditors	18,000	24,000
Goodwill	10,000	20,000

b) A, B, C and D will be partners in the new firm sharing profits and losses in

Prepare the following :-

i) Statement of Purchase Consideration of the two firms.

ii) Realisation A/c and Partner's Capital A/cs in the books of M/s AB & Co.

iii) Realisation A/c and Partner's Capital A/c in the books of M/s CD & Co.

iv) Opening Balance Sheet of new firm M/s ABCD & Co. after all the above transactions.

Q. 2. (Objective)

State whether the following statements are True or False

(Do not give reasons)

a) Down Payment includes interest under Hire Purchase.

b) In case of under-insurance, the claim amount equals the stock lost after applying average clause.

c) Relationship between Consignor and Consignee is that of employer and employee.

d) Hire Purchase Price is always less than Cash Price.

e) In case of over-insurance, claim amount will be more than the stock lost.

f) Under Stock and Debtors System, Branch Stock Account is maintained entirely at Cost Price.

g) Purchase Consideration is the amount agreed to be paid by new firm to the old firm on amalgamation for net assets taken over.

h) On payment of last instalment, the hire purchaser becomes the owner of the goods purchased.

i) Consignee has to bear all bad debt losses if del credere commission is paid to him.

j) Amalgamation reduces mutual competition and increases market share of the amalgamating firms.

k) Profit on consignment is shared by Consignor and Consignee.

l) An Account Sale is a report sent by Consignee to Consignor giving full details of sales effected by the Consignee.

Q. 3. Crystal Traders having Head office at Mumbai also have a Branch at Pune. The following details are available relating to the transactions at Pune Branch for the year ended 31/3/2011 :-

Particulars	Rs.
Opening Stock at Cost	120,000
Opening Debtors	70,000
Opening Petty Cash balance	4000
Goods sent to Branch at Cost	7,00,000
Cash sent to Branch :	
for Salaries	72,000
for Rent	48,000
for Petty Expenses	10,000

Cash Sales	250,000
Credit Sales	650,000
Sales Returns	20,000
Bad debts W/o	2,000
Discount allowed	8,000
Collection from Debtors	610,000
Petty Expenses paid	12,000
Closing stock at cost	160,000
Closing Debtors	?
Closing Petty Cash balance	?

Prepare Pune Branch Account in the books of the Head Office, showing the net profit or loss at the Branch for the year ended 31/3/2011.

OR

Q. 3. On 1st April 2008, BTC & Co. purchased a machine on hire-purchase bassis from STC & Co. The following were the terms and conditions of the hire-purchase agreement :-

a) BTC & Co. will make a down payment of Rs. 10,000 on 1/4/2008 on signing the agreement.

b) BTC & Co. will further pay three annual instalments of Rs. 11,111 , Rs. 22,222 and Rs. 33,333 on 31/3/2009, 31/3/2010 and 31/3/2011 respectively. These instalments are including the interest amount for the year.

c) The cash price of the machine is Rs. 63,510.

d) Interest is charged every year on 31st March by the vendor STC & Co. @ 10% p.a. on outstanding cash price.

BTC & Co. made all the payments on due date as per agreement.

Depreciation is provided on machinery @ 15% p.a. on reducing balance method in the books of BTC & Co. which closes its books on 31st March every year.

Prepare the following accounts in the books of BTC & Co. for the three years ended 31/3/2009, 31/3/2010 and 31/3/2011 :-

a) Machinery A/c.

b) STC & Co. A/c.

Interest and depreciation calculations are to be rounded off to the nearest rupee.

Q. 4. On 13th August 2011, the godown of FGP Traders caught fire accidentally. Luckily, the stock was insured against loss by fire for a policy amount of Rs. 64,000 and the insurance premium had been duly paid. Stock salvaged was Rs. 10,000. FGP Traders now want to make a claim for loss of stock by fire. The following details are available :

Particulars	From 1/4/2010 to 31/3/2011 Rs.	From 1/4/2011 to 13/8/2011 Rs.
Opening Stock	61,600	?
Purchases	540,000	2,19,000
Closing Stock	64,000	?
Sales	768,000	2,90,000

Prepare a "Statement of Insurance Claim" to be made for the loss of stock by fire. Apply Average Clause in case of under - insurance.

OR

Q. 4. Freshfruit Co., Nashik, Consigned to Quicksell Co. in Mumbai, 800 baskets of fruit costing Rs. 400 per basket. Quicksell Co. agreed to sell maximum number of baskets in Mumbai at a selling price of Rs. 800 per basket on consignment basis. Quicksell Co. was entitled to a commission of 10% on sales.

Freshfruit Co. paid Rs. 800 towards loading charges at Nashik. They also paid Rs. 6400 freight charges on the consignment to Mumbai.

Quicksell Co. received the consignment in Mumbai, paying unloading charges Rs. 800. They sent a demand draft of Rs. 100,000 being advance to Freshfruit Co. They also paid storage charges Rs. 2400 for storing the fruit in Mumbai.

Quicksell Co. sold 700 fruitbaskets @ Rs. 800 per basket as agreed. They deducted the expenses incurred by them and also their 10% commission. They remitted the balance amount to Freshfruit Co., Nashik by demand draft, in full settlement.

You are required to prepare the following in the books of Freshfruit Co. :-

a) Statement showing calculation of closing stock with consignee at Mumbai.
b) Consignment A/c, showing the net profit or loss on the consignment to Mumbai.
c) Quicksell Co. A/c.