VC – D -23/09/2014 – Financial Accountancy – SYBAF – Sem III – 75 – 2 ½ Hrs – 250

Note: 1. All Questions are compulsory
2. Figures to right indicate full

Q.1. A) Match the following (8)

Group A	Group B
Bank Loan obtained by hypothecation of machinery	Amalgamation
Realisation expenses paid on amalgamation	Working Partner
Prepaid Expense	Credit realization Account
Intangible Asset	Liability side & Balance Sheet
Purchase Order	Secured Loan
Outstanding Expense	Asset side of balance sheet
Asset taken over by partner on amalgamation	Goodwill
Partner who runs and manages the firm	Stock items ordered from supplier
Excess Capital	Debit realization Account
Purchase Consideration	Piecemeal Distribution

B) State whether True Or False (7)

1. The profit and loss A/C of any year includes all the expenses paid during the year
2. In excess capital method, proportional capital of a partner is equal to his capital divided by his share of profit
3. Assets must be equal to total liabilities
4. Partner always share profits equally
5. On amalgamation of firms, fictions assets are transferred to realization A/C
6. Piecemeal distribution means division of physical assets among the partners
7. After amalgamation of firm, assets and liabilities of old firm get transferred at their realizable value
8. Amalgamation is a merger.
9. A purchase consideration is the amount payable by new firm to old firm.
10. Outstanding expenses are added to expenses.

.2. The following is the trial balance of firm as on 31st December 2013 (15)

Debit	**Rs**	**Credit**	**Rs**
Cash	29700	Creditors	40500
Debtors	93000	Sales	540000
Rent & Rates	17700	**Capital**	
Salary	36000	Mahendra	72000
Sundry Expenses	15600	Yuvraj	36000
Stock	75000	Virat (including goodwill)	12000
Purchase	330000		
Sundry Asset	31500		
Drawing			
Mahendra	45000		
Yuvraj	22500		

Virat	4500		
	700500		700500

Adjustments:

1. Mahendra and yuvraj were partners sharing profits and losses equally
2. Virat was admitted to the partnership on 1st July, 2013
3. On 31st December 2013, stock was valued at Rs. 70500
4. Rent and rates paid in advance Rs. 700
5. Sundry expenses were outstanding Rs. 400
6. Depreciate sundry assets by 20% p.a.
7. Goodwill of the firm was valued at Rs. 6000 on 1st July 2013 and not to appear in the balance sheet
8. Interest on capital to be charged @ 10% p.a. you are required to prepare Trading, Profit & Loss Accoun[t] for the year ended 31st December 2013 and balance sheet as on that date.

OR

Q.2 Following is the balance sheet of two firms as at 31st march 2014: (15)

Liabilities	SR & Co.	RK & Co.	Assets	SR & Co.	RK & Co.
Capital			Premises		5000
Shyam	11500		Computers	10000	
Ram	11500		Furniture	5000	7000
Raj		18000	Inventory	9000	8000
Kumar		12000	Debtors	6000	14000
General Reserve		3000	Bank	2000	4000
Creditors	5000	4000	Cash	1000	2000
Bills Payable	5000	3000			
	33000	40000		33000	40000

It was mutually agreed to amalgamate the business from 1st April 2014.

Terms of amalgamate were as follows:

a. Premises was valued at Rs. 10000 and computers at Rs. 12000
b. Furniture was not taken over by new firm.
c. A reserve of 5% is to be created on debtors
d. Goodwill was valued as: M/S SR & Co. at Rs. 10000 and that of M/S RK & Co. at Rs. 15000
e. The new firm also assumed other assets and liabilities of old firm at book value. Show necessary accounts in the books of SR & Co. and the balance sheet of new firm M/S SRK & Co. after amalgamation.

.3 From the following balance sheet of M/S Kamal Store with Amar, Akbar & Anthony as partners sharing ofits and losses in the ration of 5:3:2. Their Balance Sheet on the date of dissolution was as follows:

Liabilities	Rs	Assets	Rs.
Partner's Capital		Fixed Assets	160000
Amar	77600	Current Assets	120000
Akbar	40800	Cash in Hand	19200
Anthony	52000		
General Reserve	38400		

Amar's Loan	42400		
Sundry Creditors	48000		
	299200		299200

1. Realization expenses were estimated at Rs. 8000
2. The assets were realized as under

   First installment Rs. 122560

   Second installment Rs. 57440

   Third installment Rs. 40000
3. Actual Realisation expenses were Rs. 6000 only. Prepare a statement showing piecemeal distribution of cash by adopting excess capital method (15)

OR

Q.3 From the following trial balance of Ajay and Vijay, you are required to prepare a trading and profit and loss A/C for the year ended 31st December 2013 and a Balance sheet as on that date: (15)

Trail Balance as on 31st December 2013

Particulars	Debit Rs	Credit Rs.	Particulars	Debit Rs	Credit Rs.
Capital A/C			Carriage Outwards	700	
Ajay		30000	Wages	12000	
Vijay		20000	Insurance	800	
Drawing A/c			Discount Received		100
Ajay	1000		Postage	400	
Vijay	500		Debtors & Creditors	35200	32100
Stock on 1-1-2013	22000		Furniture	12000	
Bills Receivable	900		Cash in Hand	4900	
Purchase & Sales	95000	151000	Machinery	40000	
Returns	3000	1000	Rent & Taxes	600	
Salariess	5000		Printing & Stationary	200	
				234200	234200

Adjustment:

1. The closing stock on 31st December 2013 was valued at Rs. 28000
2. The outstanding expenses were:
   a. Wages Rs. 1000
   b. Salaries Rs. 465
3. Goods of Rs. 1000 were distributed as free samples
4. Interest on partners capitals was to be provided at 7% p.a.
5. Prepaid insurance was Rs. 50
6. Depreciation was to be provided on furniture at 10% and on machinery at 5 %
7. A reserve for bad and doubtful debts was to be created at 5% of sundry debtors

.4 Akash, Pawan and Sagar were partners carrying on partnership business and sharing profits and losses in e rates of 1:2:3 on March 31st 2013 their balance sheet was as under:-

Balance Sheet as on 31st March, 2013

Liabilities	Rs	Assets	Rs
Capitals		Building	20000

Akash	10000	Machinery	30000
Pawan	20000	Motor Car	5000
Sagar	30000	Stock	15000
Pawan's Loan	20000	Debtor	20000
Creditors	15000	Cash	9000
Bills Payable	5000	Investment	1000
	100000		100000

On the above data a private limited company was incorporated to take over the above business on the following terms and conditions:

1. All assets (except cash and investment) and all the liabilities (except Pawan's loan) is to be taken over by the company for which all assets are valued at par except building which is considered worth Rs.27000 and stock as worth Rs. 14000. Further, Goodwill is valued at Rs. 30000.
2. Pawan's loan to be partly liquidated by his talking over the firms cash and investment at par for the balance he is given 8% debentures received from the company in part discharge of purchase consideration
3. The balance of purchase consideration is received in form of equity shares of the company which are to be appropriately distributed amongst the partners. Give journal entries and ledger to close the books of firms. (15)

OR

Q.4Reena, Meena and Teena were in a partnership sharing profit in the ratio ½ ¼ ¼ . Their Balance Sheet as on 31st December, 2013 was as under the date on which they dicided to dissolve the firm.

Balance Sheet as on 31st December 2013

Liabilities	Rs	Assets	Rs.
Creditors	15000	Cash	9000
Income Tax Payable	4000	Stock in trade	40000
Loan from bank	30000	Debtors	60000
(Secured by pledge of stock in trade)		Furniture	36000
Loan from Meena	11000	Motor Car	25000
Capital			
Reena40000			
Meena40000			
Teena30000	110000		
	170000		170000

1. Bank could realize only Rs. 25000 on disposal of stock in frade
2. A sum of Rs. 3000 was spent on furniture for getting better price
3. Other assets were realized as follows:-

   In January 2014 Rs.12000

   In February 2014 Rs.15000

   In March 2014 Rs.10000

   In April 2014 Rs.30000

   In May 2014 Rs.35000

The partners distribute the cash as and when available using highest relative capital method, show the distribution of cash.

(15)

Q.5 A) What do you mean by "cost Centre"?

Explain the procedure to create, display and delete a cost Centre (8)

B) Explain different types of inventory vouchers available in Tally (7)

OR

Q. 5Short Notes (Any 3) (15)

1. Format of profit and loss appropriation Account
2. Purchase consideration and its calculation
3. Units of measure (UOM)
4. Surplus capital method
5. Order of payment for external liabilities under piecemeal distribution