

M.B.A.(with Credits)-Regular-Semester 2012 / M.B.A.(Choice Based)-Regular-Semester 2016 Sem I  
**Paper-C15 / PCB1F05 : Financial Accounting for Management (New Course)**

P. Pages : 4

Time : Three Hours



**GUG/W/16/2997**

Max. Marks : 70

- Notes : 1. Attempt **any five** questions.  
2. All questions carry equal marks.

1. a) From the following transaction compile a cash book with cash and discount columns for the month of April 2015. **7**

April	1.	Opening cash Balance in hand Rs. 50,000/-
April	3.	Received Rs. 3,250 from Rima in full settlement of Rs. 3,500.
April	4.	Paid to Sachin Rs. 2,400 in full settlement of Rs. 2,500/-.
April	5.	Received due Rs. 6,000 from Kavita and allowed 2% cash discount.
April	10.	Purchase goods for cash Rs. 9,000 @ 1% cash discount.
April	12.	Sold goods of Rs. 20,000 @ 4% cash discount.
April	15.	Sold goods for cash Rs. 35,000/-
April	17.	Bought goods of Rs. 10,000 and paid Rs. 4,000/-
April	20.	Received Rs. 6,000 from Radheshyam on account.
April	22.	Paid to Savita Rs. 32,000/-
April	25.	Purchased a machinery costing Rs. 12,000/-
April	27.	Paid Salary 4,000/-
April	29.	Paid Rent Rs. 3,000/-
April	30.	Deposited in Bank of India Rs. 20,000/-

- b) Record the following transaction in proper book, post them in ledger accounts and prepare trial Balance for the month of March 2015. **7**

March 2015		
1.	Purchased goods from M/s Reliance	10,000
2.	Sold goods to M/s Zarpakar	7,000
5.	Sold goods on cash	4,000
7.	Purchased goods for cash	1,000
10.	Rent for the month of March 2015 is due; not paid till the end of month	5,000
15.	Paid for stationery	100
20.	Paid for Chair's purchased	500
31.	Salary paid for current month	2,000
31.	Closing stock was valued	1,000

2. On checking Reynolds. Cash Book with the Bank statement of his current A/c for the month of March 2014, you find the following. **14**

- Cash Book showed an overdraft of Rs. 4,500/-
- The payment side of the cash Book has been under cast by Rs. 150.

3. A cheque of Rs. 750 drawn on current A/c has been shown as drawn on his saving A/c in the cash book.
4. Under Instruction from Reynolds the Bank had transferred Interest Rs. 900 from his deposit a/c to his current A/c on 3<sup>rd</sup> April 2014 this amount had, however, been recovered in the cash book before 31<sup>st</sup> March 2014.
5. Cheques amounting to Rs. 7,500 drawn and entered in the cash Book had not been presented.
6. Cheques amounting to Rs. 6,000 sent to the Bank for collection though entered in the cash Book had not been credited by the Bank.
7. Bank charges of Rs. 75, as per Bank statement had not taken in the cash Book.
8. Dividends of Rs. 3,000 had been paid direct to the Bank and not entered in cash Book.
9. A cheque Issued to Rocky for Rs. 200 was Replaced when out of date, but it was entered in the cash Book again and no other entry having been recorded. Both the cheques were also included in the total of cheques issued but not presented as shown above.

You are required to arrive at the balance as it would appear in the bank statement as on 31<sup>st</sup> March 2014.

3. The following is the Receipt and payment A/c of the Koyana Education society Karad.

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Receipts and payment A/c 2013-14

Receipts	Amount	Payments	Amount
To cash Balance (B/d)	2,000	By furniture (31-12-2013)	4,000
To Admission fees	1,000	By Salaries	10,500
To Tuition fees	16,000	By office expenses	2,000
To Donation	500	By sports material	3,000
To Govt grant	1,000	By printing & stationery	3,500
To life members fees	600	By fixed deposit (@ 10% on 1-10-2013)	5,000
To term fees	5,000	By cash Balance (c/f)	2,100
To Examination fees	4,000		
	30,100		30,100

Adjustment :-

- 1) The assets of the society on 1<sup>st</sup> April 2013  
Building : Rs. 20,000, Furniture : Rs. 8,900 Library : 10,000;  
Laboratory : Rs. 7,000.
  - 2) The tuition fees receivable from students for 2013-14 was Rs. 600/-
  - 3) Furniture and Building are to be depreciated at 10% p.a.
  - 4) The donation and life membership fees are to be capitalised.
  - 5) Sports material is valued at Rs. 1,800. On 31-03-2014.
  - 6) The capital fund on 31 March 2013 was Rs. 47,900/-
- You are required to prepare Income and Expenditure Account and Balance sheet as on that date.

4. Following is the trial balance of xyz Co. Limited, as on 31<sup>st</sup> March 2015.

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Particular	Dr Amount	Cr Amount
Opening Stock	7,500	-
Sales	-	35,000
Purchase	24,500	-
Wages	5,000	-
Discount	700	500
Salary	750	-
Rent	495	-
General Expenses	1705	-
Profit & Loss A/c	-	1503
Dividend Paid	900	-
Share Capital	-	10,000
Debtor's & creditor's	3,750	1750
Plant & Machinery	2,900	-
Cash in hand	1620	-
Reserve fund	-	1,550
Bad debts	483	-
	50,303	50,303

Adjustment:-

- 1) Closing stock was valued at Rs. 8,200/-
  - 2) Depreciation change on machinery @ 10%.
  - 3) Provide 5% R.B.D.D on Debtor's.
  - 4) Allowed 2.5% discount on creditor's
  - 5) Provide managing director's (MD) commission 15% net profit before changing on such commission.
  - 6) One month Rent Rs. 45 still outstanding.
  - 7) 6 month Insurance was unexpired Rs. 38 which Included in general Reserve.
- You are required to prepare final account of the company.

5. a) Calculate the value of goodwill on the basis of 5 year purchase of super profit from the following information.

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- 1) Average capital employee in a business Rs. 7,20,000/-
- 2) Net trading profit for the last 3 year after taxation user. Rs. 1,07,000, Rs. 90,700, Rs. 1,12,500.
- 3) Rate of return accepted in same time of business 10%.
- 4) Fire remuneration to the partner's for there services Rs. 12,000 p.a.

b) The following is the Balance sheet of Siddharth company limited as on 31<sup>st</sup> Dec 2014.

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Balance Sheet

Liability	Amount	Asset	Amount
Equity share capital (6000x100)	6,00,000	Cash at Bank	50,000
5% Debenture (5000x100)	5,00,000	Sundry Debtors	80,000
General Reserve	70,000	Stock	1,20,000
Profit & Loss A/c	20,000	Investment	1,00,000
Sundry creditors	30,000	Land & Building	4,10,000
Other liability	10,000	Furniture	60,000
		Goodwill	70,000
		Plant & machinery	3,40,000
	12,30,000		12,30,000

All the Asset were valued at Rs. 14,00,000. The company earned net profit for the last 5 year. Rs. 80,000, 84,000, 92,000, 88,000, 96,000. It was decided to set a site 15% of the profit towards general Reserve & fair investment return may be taken 10%. Find out the value of equity share of the company by yield value method.

6. A Ltd co. Invited application for 10,000 share of Rs. 10 each at a premium of Rs. 5 per share payable as follow's 14  
 On application Rs. 3 per share  
 On allotment Rs. 6 per share (Including premium)  
 On first call and final call equal two installment.

Application were received for 18,000 share and allotment was made on application of 15,000 share at the rate of two share for every three applied for. Milind failed to pay the allotment money for the forty 40 share allotted to him and there were forfeited when he failed to the first call. Ankita failed to pay the calls in respect of 120 share allotted to her and there share were also forfeited after second call.

40 share allotted to Milind originally and another 40 share allotted to Ankita were later issued to Ninad as fully paid on payment of Rs. 9 per share show the relevant entries in the cash Book and Journal of the company.

7. ABC company Ltd passed a special resolution for voluntary winding up on 31<sup>st</sup> March 2015 when its balance sheet was as under. 14

Balance sheet as on 31<sup>st</sup> March 2015

Liabilities	Amount	Asset	Amount
Share Capital		Plant & machinery	8,00,000
a) 10,000, equity share of Rs 100 each fully paid up	10,00,000	Furniture	2,000
b) 2,000 equity shares of Rs 100 each 75 per share paid	1,50,000	Stock in trade	1,00,000
c) 2,000 6% cumulative preference share of 100 each fully paid	2,00,000	Sundry Debtor's	3,00,000
7% Debenture (secured on plant & machinery)	2,00,000	Cash in hand	10,000
Unsecured creditor's	5,04,000	Profit & Loss A/c	8,42,000
	20,54,000		20,54,000

#### Adjustment

- Dividend on preference share remained unpaid for full one year.
- Interest (payable annually on 31<sup>st</sup> Dec) on debenture was paid upto 31<sup>st</sup> Dec 2014
- Unsecured creditors include Rs. 4,000 of preferential creditors.
- Plant & machinery realized 7,20,000, Stock, Rs. 2,00,000 and debtors Rs. 2,80,000 furniture realized noting.
- The expenses of winding up amounted to Rs. 39,000/-
- The liquidator's remuneration is to be @ 4% on realization of asset and 2% on distribution among unsecured creditors Excluding preferential creditors.
- The winding up was completed on 30<sup>th</sup> June 2015 when the Debentures were repaid
- The necessary call was made & relieved in full form all share holder. prepare liquidator's final statement.

8. Explain various accounting concept & convention with suitable examples. 14
9. Explain the importance of Goodwill. What factor's generally affect the Goodwill of a business? 14
10. Write short note **any two**. 14
- Advantages of Double entry system.
  - Cash Book
  - Define debenture's
  - Define capital expenditure & revenue expenditure.

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