

Name of course: B.Com Sem. I

Scheme/Mode of Examination: CBCS

Name of the Paper: Financial Accounting

UPC/Subject Code: **52411101**

Duration: 03 Hours

Maximum Marks: 75 Marks

*Attempt Any Four Questions. All questions carry equal marks.*

1. “Depreciation is provided to not only cover capital expenditure during the span of Assets life, but also to accumulate required funds for the replacement of the PPE” Explain this statement. Also differentiate two popular method of depreciation with suitable figures.
2. “A systematic procedure has been adopted for the issue of Accounting Standard in India” Justify this statement.
3. The following are the details furnished by ASHA CLUB. You are required to prepare balance sheet as at 31-3-2019 & 31-3-2020.

RECEIPT & PAYMENTS ACCOUNT for the year ended 31<sup>st</sup> March2020

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Cash	3,400	Salaries	12,100
Bank	12,400	Insurance	3,150
Entrance Fees	14,500	Furniture purchased (30.9.2019)	5,300
Subscription for Year 2017 -2018	3,200	Postage	2,550
Subscription for Year2019-2020	44,500	Printing and Stationery	6,750
Sale of old Newspaper	1,100	Sundry Expenses	4,500
Lecture Meet fees	3,800	Cash	13,500
Sale of furniture (1.10.2019)	5,650	Bank	15,600
Total	85,550	Toal	88,550

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Income & expenditure account for the year ended 31<sup>st</sup> March 2020

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Salaries	12,100	By Entrance Fees	14,500
To Insurance	3,150	By Subscription :	
To Postage	2,550	Received	44,500
To printing and Stationary	6,750	Add: Outstanding	5,500
To Sundry Expenses	4,500	By Lecture meet fees	
To Members meeting expenses	25,100	Received	3,800
To depreciation (furniture@10%)	515	Add: Outstanding lecture	
To depreciation (Machinery@20%)	2000	meet fees	1,200
To depreciation (Building@10%)	10,000	By Sale of Newspapers	1,100
To excess of income over expenditure	4,835	By Profit on sale of furniture	900
	71,500		71,500

Particulars	As on 31-3-2019	As on 31-3-2020
Subscription due and outstanding	4,000	?
Club building	1,00,000	90,000

4. Bombay Okara Corporation Ltd. Purchased on 1<sup>st</sup> January 2015 from Delhi Motors five trucks costing Rs. 50,000 each on the hire purchase system. The payment was to be made as: 10% of cash price down and 25% of cash price at the end of four subsequent half years. The payment due on 31<sup>st</sup> December 2015 could not be made and hence the trucks were by the vendor.

But after negotiation, the hire purchaser was allowed to keep three trucks on the condition that the value of the other two trucks would be adjusted against the amount due, the truck being valued at cost less 25% depreciation. Bombay Corporation closed its books on 30 June

every year and the depreciation is charged at 15 % p.a. on the original cost. The vendor spent Rs. 10,000 on getting the trucks thoroughly overhauled and sold them for Rs. 90,000. Show the various accounts in the books of both parties.

5. Magnum Ltd. has a branch in Agra. Goods are sent to Branch at 25% profit on cost. Following information are available by Head office in Delhi in connection with this Branch.

<i>Opening Balances:</i>	Rs.
Stock (Invoice Value)	20,000
Branch Debtors	10,000
Furniture	10,000
Petty Cash	500
<i>Transactions during the year;</i>	
Goods sent to Branch	1,20,000
Goods in Transit	10,000
Goods returned by Branch	10,000
Goods returned by branch customer	5,000
Cash sale	65,000
Credit Sales	?
Bad Debts	500
Discount allowed	500
Collection from debtors	44,000
Cash sent by Head office for	
Rent	2,000
Salary	2,500
Petty Cash	<u>1,000</u>
	5,500
<i>Closing Balances:</i>	
Stock	25,000
Branch Debtors	15,000
Furniture	9,000
Petty Cash	400

Prepare: Branch Debtors A/c, Branch Stock A/c, Branch Adjustment A/c and Branch profit and loss A/c.

6. A, B and C were three partners in ABC Associates sharing profit and loss in the ratio 2:2:1. Following is the balance sheet of the firm.

Liabilities	Amount ₹	Assts	Amount
A's Capital	60,000	Cash	2,000
B's Capital	50,000	Furniture	10,000
B's Loan	10,000	Plant & Machinery	15000
Mrs. A's loan	12,000	Land and Building	40,000
Bank loan	15,000	Stock	18,000
S. Creditors	19,000	Debtors	20,000
Outstanding Rent	4,000	C's Capital	40,000
		Profit and loss A/c	25,000
	1,70,000		1,70,000

Due to continues loss from the last three years they decided to dissolve the partnership firm.

For this purpose, assets were realized as follows

Land & Building for ₹ 50,000

Plant and Machinery ₹ 12,000

All the Stock were taken over by Mrs. A in full settlement of her due

Debtors of ₹ 5,000 were bad, rest were realized fully.

Furniture were taken by bank loan at an agreed price of ₹ 12,000, remaining bank loan were paid in cash. All the liabilities paid in due course.

You are required to prepare realization account, partners' capital account and cash account.