

B.Com. (Part—I) Examination
FINANCIAL ACCOUNTING
(Commerce)

Time : Three Hours]

[Maximum Marks : 70

Note :—(1) Attempt **ALL** questions.

(2) All questions carry equal marks.

1. From the following transactions pass necessary journal entries in the books of Ashay Co. Ltd. :

Date	Particulars	Rs.
2017		
Jan. 12	Sarthak Commercial Business	1,00,000
Feb. 10	Purchased goods	56,000
Feb. 23	Sold goods	70,000
Mar. 15	Purchased goods from Sanjay	40,000
April 2	Sold goods to Nilesh	42,000
May 8	Cash given to Nitin	40,000
June 3	Cash received from Pawan	42,000
July 9	Purchased goods for cash from Waman	36,000
Augt. 1	Withdrew for personal use	1,600
Sep. 6	Purchased goods from Girish	30,000
Oct. 12	Paid cash to Manik	13,000
	Discount allowed to him	80
Dec. 31	Paid salaries	1,300

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OR

What is 'Rectification of Errors' ? Explain the kind of Errors.

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2. (a) Prepare a Manufacturing A/c for the year ended on 31st March, 2017 :

Rs.

Opening Stock :

Raw material 45,000

Finished goods 20,000

Closing Stock :

Raw material 30,000

Finished goods 20,000

Purchase of Raw material 2,50,000

Wages 30,000

Sales 3,90,000

Octroi 20,000

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(b) Prepare Balance Sheet as on 31st March, 2017 :

	Rs.	
Land	16,000	
Bank overdraft	9,200	
Bank balance	2,700	
Unpaid expenses	400	
Capital	11,200	
Net profit	800	
Prepaid expenses	1,000	
Closing stock	900	
Debtors	1,000	4

(c) Give the proforma of 'Trading Account'.

3

(d) Pass the entries for the rectification of the following :

- (i) Wages paid for installation of machinery Rs. 7,500, were debited to the Wages Account.
- (ii) Rs. 13,000 paid for the purchase of office furniture were charged to Office Expenses Account.

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OR

(e) Prepare a Balance Sheet on 31st March, 2017 :

	Rs.	
Capital	1,52,000	
Creditor	46,000	
Outstanding rent	19,000	
Cash in hand	17,000	
Rent receivable	16,000	
Net loss	53,000	
Closing stock	1,15,000	
Preliminary expenses	16,000	4

(f) Prepare a Profit and Loss A/c for the year ended 31st December, 2017 :

	Rs.	
Gross profit	2,35,000	
Salaries	18,000	
Rent and taxes	9,000	
Bad debts	1,700	
Other expenses	5,700	
Depreciation on furniture	2,400	
Receivable commission	1,300	
Carriage inwards	1,100	4

- (g) Prepare 'Trading Account' for the year ended 31st March, 2017 with the following balances :

	Rs.	
Opening Stock	35,000	
Purchases	1,05,000	
Sale	2,10,000	
Purchase returns	3,500	
Sale returns	4,500	
Carriage inwards	8,200	
Wages and Salaries	21,000	
Coal and Gas	13,720	
Salary and Wages	23,000	
Closing stock	1,00,000	3

- (h) Pass rectification entries :

- (i) Furniture purchased from Sandeep of Rs. 25,000 but recorded in Sales Book.
(ii) Rs. 14,000 paid on account of salary was debited to Personal Account of the employees.
- 3

3. (a) Umakant purchased a machinery of Rs. 4,00,000, life of the machine is estimated to be 3 years, scrap value is Rs. 50,000, the rate of depreciation is 50% per annum as per Diminishing Balance.

Prepare Machinery Account for the three years. 4

- (b) Show the following items in Income and Expenditure Account for the year ending 31st March, 2017 :

	Rs.	
Sports material :		
Opening stock	1,50,000	
Purchases during the year	6,00,000	
Closing stock	2,25,000	
Scrap sold during the year	3,750	
Locker rent received	2,500	4

- (c) Shanti Company purchased machinery for Rs. 3,00,000 on 1st July, 2015. The asset was to be depreciated @ 10% per annum on written down value basis.

Write up 'Machinery Account' for first two year, assuming accounting year ended on 31st March every year. 3

- (d) Explain the importance of Depreciation. 3

OR

- (c) From the following information prepare 'Income and Expenditure Account' for the year ended 31st March, 2017 :

Receipts and Payments A/c

Receipts	Rs.	Payments	Rs.
Cash in hand	16,000	Salary	12,000
Entrance fee	13,000	Taxes	1,500
General fee	47,500	Insurance	1,250
Sale of old furniture	3,000	Expansion of :	
		Building	22,250
		Postage	1,750
		Cash Balance	40,750
	79,500		79,500

Adjustment :

(i) General fee receivable Rs. 5,500

(ii) Salary unpaid Rs. 1,500.

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- (f) Sarthak Traders purchased a machinery for Rs. 23,200 and spent Rs. 800 on its installation machinery estimated life will be 5 years and its scrap value at the end of its life will be Rs. 1,250.

Prepare Machinery Accounts for first two year.

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- (g) Bhim Company purchased machinery for Rs. 2,00,000 on 1st January, 2016. The asset was to be depreciated on W.D.V. method @ 20% per annum, write 'Machinery Account' for first two year assuming accounting year to end on 31st March every year.

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- (h) Explain the main features of Receipt and Payment Account.

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4. (a) From the information, prepare Trading Account of National Co-operative Society Pvt. Ltd. for the year ending 31st March, 2017 :

Stock (1 st April, 2016)	3,00,000
Stock (31 st March, 2017)	1,50,000
Goods Purchased	4,50,000
Sales of Goods	9,50,000
Inward Return	6,000
Wages and Salaries	30,000
Carriage Inward	18,000

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- (b) Prepare the Balance Sheet of Parvati Co-operative Society Ltd. as on 31st March, 2017 with the help of following information :

Share Capital	4,00,000	
Creditor	40,000	
Debtor	1,00,000	
Building	3,40,000	
Prepaid Insurance	5,000	
Unpaid Salaries	5,000	
Provident Fund Investment	75,000	
Statutory Reserves	7,500	
Employees Provident Fund	75,000	
Bills Payable	40,000	
Closing Stock	90,000	
Net Profit for current year	22,500	
Bank Overdraft	20,000	4

- (c) From the following information, prepare Profit and Loss Appropriation Account of Sarthak Co-operative Society Ltd. for the year ending 31st March, 2017 :

Profit as on (31 st March, 2016)	70,170	
Net profit as on (31 st March, 2017)	1,69,600	
Transfer to Dividend Equalisation Fund	36,460	
Dividend paid	1,16,390	
Transfer to Building Fund	25,000	3

- (d) What are the disadvantages of Farm Accounting ? 3

OR

- (e) Prepare Profit and Loss Account of Seema Co-operative Society Ltd. for the year ending 31st March, 2017 :

Salaries	25,000	
Audit Fee	1,200	
Director Allowance	4,750	
Share Transfer Fee	930	
Commission (Cr.)	2,750	
Interest (Cr.)	3,500	
Provident Fund Contribution	11,750	
Gross Profit	55,000	
Depreciation on Machinery	14,000	
Depreciation on Furniture	1,900	4

- (f) Prepare Profit and Loss Appropriation Account of Amita Co-operative Society Ltd. for the year ending 31st March, 2017 :

Current year profit	1,50,000
Previous year profit	90,000
Dividend equalisation fund	21,000

The Paid up Capital is 3.10,000; make provision for dividend @ 8%.

Make provision for statutory reserve as per Maharashtra State Co-operative Society in Act, 1960. 4

- (g) From the following information, prepare a Cattle Account to ascertain the Profit (net margin) of the Cattle Section for the year ending 31st March, 2017 :

Opening stock of livestock	45,000
Closing stock of livestock	55,000
Purchases of Cattle	1,02,500
Sales of slaughtered Cattle	6,000
Sales of carcasses	500
Cattle food	9,000
Wages for rearing	2,250
Slaughter house expenses	250
Sale of Cattle	1,06,000

Crop worth Rs. 2,500 grown in the farm was used for feeding the cattle, out of calves born 2 died and their carcasses realised Rs. 50. 3

- (h) Give the proforma of Balance Sheet as per Maharashtra Co-operative Society Act, 1960. 3

5. Shri Ambadas has been declared insolvent on 1st April, 2017 on which date his total assets were Rs. 1,02,000 and liabilities Rs. 78,000. He estimated deficiency of Rs. 58,000. Before taking the following items into consideration, which were not passed through his account books :

- (i) Interest on his Capital at 5% for one year.
- (ii) A contingent liability for Rs. 6,480 on bills discounted by him.
- (iii) Wages Rs. 600, Salaries Rs. 1,600 and Taxes Rs. 620 are outstanding, each are preference liabilities.

Prepare a Statement of Affairs and the Deficiency Account of Shri Ambadas. 14

OR

Shri Bhimrao Karande, a Trader from Yavatmal submitted an appeal for Insolvency on 31st March, 2017 on that day the following information was available in his Books of Account :

Unsecured Creditors	45,000
Partly Secured Creditor (Having lien on Investment)	24,000
Fully Secured Creditors (Having lien on stock of Rs. 6,000)	6,000
Creditor having lien on Building	6,000
Value of Building	6,600
Liability on Bill discounted (Bill of Rs. 2,100 are likely to be dishonoured)	4,200
Rent due to Landlord	900
Preferential Creditors for Taxes and Wages	900

Book Debts :

Good	12,000
Doubtful (likely to realise Rs. 1,200)	2,400
Bad	3,600
Life Insurance Policy (Surrender value)	3,000
Investment (Fully realisable)	9,600
Stock (Expected to realise Rs. 24,000)	36,000
Cash in hand	120
Bills Receivable (Expected to realise in full)	780
Plant (Estimated to be sold at Rs. 7,200)	9,000
Furniture (Expected sale value Rs. 2,700)	3,900

Shri Bhimrao commenced his business on 1st January, 2017 with a Capital of Rs. 12,000. He suffered a loss of Rs. 420 after charging Rs. 720 as interest on Capital. During the year his Drawings from the business amounted to Rs. 2,160.

From the information given above, prepare his Statements of Affairs as on 31st March, 2017 and Deficiency Account.

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