

Goa VidyaprasarakMandal's
 GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE
 AND ECONOMICS, PONDA – GOA
 B.COM. (SEMESTER-I) (Revised) SUPPLEMENTARY EXAMINATION
 MAY/ JUNE 2016
FINANCIAL ACCOUNTING-PAPER I

DURATION: 2 hours

MARKS: 80

- Instructions: 1) Question No.1 is Compulsory.
 2) Answer any three Questions from Q.No. 2 to Q.No.6.
 3) All working notes shall carry marks.

Q.No.1 (20)

Small Wonders Private Limited purchased Equipment on 1st January, 2010 costing ` 1,20,000 having life of 3 years. The estimated scrap value of the Equipment is ` 15,000.

The company took an Endowment Policy with an annual premium of ` 33,000.

The actual scrap realised at the end of 3rd year amounting to ` 14,000.

Prepare following ledger accounts for the years 2010, 2011 and 2012.

- a) Equipment Account
- b) Depreciation Fund Account
- c) Depreciation Insurance Policy Account.

Q.No.2 (20)

Ramesh and Suresh were partners sharing Profit and Losses in the ratio of 3:2.

Following is the balance sheet of the firm as on 31st December, 2014.

Liabilities	Amount	Assets	Amount
<u>Capital Accounts-</u>		Fixed assets	1,68,000
Ramesh	1,50,320		
Suresh	88,160		
Suresh's Loan	61,600	Investments	64,000
Creditors	50,000	Stock	80,000
Bank overdraft	31,920	Debtors	70,000
	3,82,000		3,82,000

Ramesh and Suresh decided to sell their business to Wonderland Private Company. The Company agreed-

1. Purchase price of ` 4,00,000 was decided which is to be satisfied by issue of 4,000 Equity shares of `100 each.
2. To takeover Stock and Fixed Assets except two Motorcars
3. Ramesh took over one Motorcar at ` 7,000 and Suresh another Motorcar at ` 17,000.

4. Suresh's Loan to be transferred to his Capital account.
5. Investments realised at `56,000. Debtors were realised at `66,000. Creditors were paid at `48,000.
6. The Realisation expenses amounted to ` 3,000.

You are required to prepare-

In the old firm:

Realisation account

- a) Partner's capital account
- b) New company account
- c) Cash account.

In the new company:

- d) Journal entries
- e) Balance Sheet.

Q. No. 3

(20)

You are given Balance Sheet of Mr. Vasant, who maintains his accounts on Single Entry System and following information is available-

Balance sheet of the firm as on 31st December, 2014

Liabilities	Amount	Assets	Amount
Creditors	8,000	Cash	6,000
Bills payable	16,000	Bills receivable	8,000
Outstanding dues	400	Debtors	10,000
Capital	39,600	Stock	8,000
		Furniture	4,000
		Plant & Machinery	28,000
	64,000		64,000

Cash account for the year ended 31st December, 2014

Receipts	Amount	Payments	Amount
Opening balance	6,000	Payment to Creditors	14,000
Received from Debtors	32,000	Payment to Bills Payable	24,000
Received from Bills Receivable	30,000	Wages	8,000
Cash sales	14,000	Drawings	4,800
		Sundry expenses	12,000
		Rent, rates & taxes	8,000
		Closing balance	11,200
	82,000		82,000

Information –

1. As on 31st December, 2014 :
 - a) Bills Receivable ` 18,000
 - b) Debtors ` 16,000
 - c) Stock ` 12,000
 - d) Creditors ` 10,000
 - e) Bills Payable ` 20,000
- 2) Discount allowed during the year ` 1,000 and discount received during the year ` 2,600.

Prepare following accounts –

- a) Bills receivable
- b) Debtors
- c) Bills payable
- d) Creditors
- e) Trading A/c And Profit & Loss Account for the year ended 31st December, 2014
- f) Balance sheet as on 31st December, 2014.

Q.No.4 (20)

Machinery was purchased on 1st January, 2010 by Mr. Sumit for a period of 5 years at ` 6,00,000. Depreciation fund was created for the purpose of its replacement. An annual amount to be invested @ 5% p.a., as per the sinking fund table is ` 1, 24,400.

The investments were sold in 2014 at ` 5, 20,000.

Investments were made in the multiples of Rupees 100.

Prepare following accounts and show necessary calculations-

- a) Machinery Account
- b) Depreciation Fund Account
- c) Depreciation Fund Investment Account.

Q.No. 5) (20)

Following are the transactions of M/s Hiralal Traders, Panaji-Goa for which you are required to prepare a Cash Book with Cash and Bank Column. Transactions are entered on Cash Book Folio No. 1710. Necessary Bank and Cash Vouchers are required to balance the cash book. Their banker's are SBI Bank, Panaji-Goa.

2015	Particulars
June 1	Cash in hand ` 30,000 and Cash at bank ` 7000.
June 3	Cheque No. 223423 for ` 24,000 to M/S Ankita Industries Ltd against Bill No.3324 dated 3 rd May, 2015.
June 6	Cash sales realised as per Bill No. 150-155 ` 19,000.

June 12	Petty cash expenses ` 1,700 as per Petty Cash Book Folio No. 4321.
June 14	Cash sales realised as per Bill No. 156-160 ` 38,000.
June 17	Cheque No.432984 for `68,000 drawn on Canara Bank, Ponda, received from Deshpande Brothers towards Bill No. 7799, dated 16 th may, 2015.
June 23	Cash sales realised as per Bill No. 161-165 ` 25,000.
June 25	Paid to Yummy Restaurant ` 12,000 via a cheque no. 212342 against Bill No. 200.
June 27	Cash sales realised as per Bill No. 166-169 ` 5,000.
June 30	Cash purchases of `12,000 as per Bill No. 230-236.

Q.No.6. Write Short notes:

(4x5=20)

- i. Accounting Standard 1
- ii. Depletion Method for Depreciation
- iii. Role of Accounting Standard Board
- iv. Distinction of Single Entry System and Double Entry System (any 5)

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