



RAN - 1905000502020001

**RAN-1905000502020001****F.Y.B.Com. LL.B. (Sem. II) Examination April - 2023****Financial Accounting - 2****Time: 3 Hours ]****[ Total Marks: 70****સૂચના : / Instructions**

(૧)

નીચે દર્શાવેલ નિશાનીવાળી વિગતો ઉત્તરવહી પર અવશ્ય લખવી.  
**Fill up strictly the details of signs on your answer book**

Name of the Examination:

☛ **F.Y.B.Com. LL.B. (Sem. II)**

Name of the Subject :

☛ **Financial Accounting - 2**Subject Code No.: **1905000502020001**

Seat No.:

Student's Signature

- (2) Question number 1 is compulsory.  
(3) Figures to the right side indicate marks of the question.  
(4) Necessary calculations is the part of an answer

**Q. 1 Answer the following:**

1. X, Y and Z sharing profit and losses in the ratio of 5:3:2. Their capital is Rs. 25,000, Rs. 15,000 and Rs. 10,000 (Dr.). They dissolve the firm; Z insolvent pass the journal entries showing his deficiency under Garner V/s Murray decision. (3)
2. What is money measurement concept? (3)
3. Branch has opening balance of petty cash Rs. 1,6204 and closing balance was Rs. 8,181. During year branch 818 has incurred sundry expenses of Rs. 7,074. Therefore, decide amount of petty cash received from Head office by branch. (3)
4. Ani, Mani and Pani are partners sharing profit and losses in the ratio of 3:2:1. Their capital at the time of payment of the last installment are Rs. 23,850, Rs. 45,000 and Rs. 54,150 respectively. Last installment received of Rs. 21,300. Rs. 3,600 was spent out of Rs. 4,500, which was kept reserve for dissolution expenses. Show the cash distribution of the last installment under the maximum loss method. (5)

**Q. 2**

From the following particulars, prepare Income and Expenditure account: **(14)**

Details	Amount Rs
Fees collected, including Rs 80,000 on account of the previous year	5,20,000
Fees for the year outstanding	30,000
Salary paid, including Rs 5,000 on account of the previous year	68,000
Salary outstanding at the end of the year	3,000
Entertainment expenses	8,000
Tournament expenses	25,000
Meeting Expenses	18,000
Travelling Expenses	7,000
Purchase of Books and Periodicals, including Rs. 31,000 for purchase of Books	40,000
Rent	15,000
Postage, telegrams and telephones	6,000
Printing and Stationery	18,000
Donations received	25,000

**OR**

The Receipt and Payment Account of Harimohan charitable institution is given:

**Receipt and Payment Account for the year ending March 31, 2015**

Receipts	Amount Rs	Payments	Amount Rs
Balance b/d:		Furniture	3,000
Cash at Bank	22,000	Investments	55,000
Cash in Hand	8,800	Advance for building	20,000
Donations	32,000	Charities	60,000
Subscriptions	50,200	Salaries	10,400
Endowment Fund	60,000	Rent and Taxes	4,000
Legacies	24,000	Printing	1,000
Interest on Investment	3,800	Postage	300
Interest on Deposits	800	Advertisements	1,100
Sale of old newspapers	500	Insurance	4,800
		Balance c/d:	
		Cash at Bank	32,000
		Cash in Hand	10,500
	2,02,100		2,02,100

Prepare the Income and Expenditure Account for the Year ended on March 31, 2015 after considering the following:

- It was decided to treat Fifty per cent of the amount received on account of Legacies and Donations as income.
- Liabilities to be provided for are : Rent Rs 800; Salaries Rs. 1,200; advertisement Rs. 200
- Rs 2,000 due for interest on investment was not actually received.

**Q. 3**

Rose, Lotus, Jasmine and Lily were partners sharing profit and loss in the ratio of 3:3:2:2 respectively. The following is their balance sheet as on 31-3-2023:

(14)

Particulars	Note	Rs.
<b>1. EQUITY AND LIABILITIES:</b>		
<b>(1) Shareholders' Funds:</b>		
(a) Share Capital: Rose 400000 Lotus 300000		700000
<b>(2) Non-Current Liabilities:</b>		
(a) Long Term Borrowings: Rose Loan		200000
<b>(3) Current Liabilities:</b>		
(a) Other Current Liabilities: Creditors		310000
<b>Total</b>		1210000
<b>ASSETS:</b>		
<b>(1) Non-Current Assets:</b>		
(a) <b>Fixed Assets:</b>		
(i) <b>Tangible Assets:</b>		
Car		140000
Furniture		80000
<b>(2) Current Assets:</b>		
(a) Inventories: Stock		200000
(b) Trade Receivables: Debtors      320000 Less : BDR    10000		310000
(c) Cash and Cash Equivalents: Cash balance		40000
(d) Capital A/C : Jasmine            120000 Lily                 320000		440000
<b>Total</b>		1210000

It was decided to dissolve the firm with effect from 31st March, 2023 and Partner Lotus was appointed to liquidate the assets and pay the creditors. He was entitled to receive 5% commission on the amount finally paid to

other partners towards capital. He would bear the expenses of realisation which amounted to Rs. 5,000. The assets realised Rs. 5,40,000 excluding cash on hand. Creditors were paid in full. In addition, a sum of Rs 50,000 was also paid to staff on retrenchment in full settlement of their claims. Lily was insolvent and the partners recovered Rs. 74,000 from his estate in settlement.

Applying the rule in the case of Garner Vs. Murray, prepare the necessary accounts and close the books of the firm.

**OR**

Jay, Vijay and Ajay are the partners sharing Profits and Losses in the ratio of 1/2: 1/2: 1/4 respectively. The firm was dissolved on 31-3-14. On that date the Balance Sheet was as under :

Particulars	Note	Rs.
<b>1. EQUITY AND LIABILITIES:</b>		
<b>(1) Shareholders' Funds:</b>		
(a) Share Capital: Jay      108000		
Vijay      90000		
<u>Ajay      54000</u>		252000
(b) Reserves & Surplus:		
General Reserve		27000
<b>(2) Non-Current Liabilities:</b>		
(a) Long Term Borrowings:		72900
Loan of Bank of Baroda		44100
Loan Ac of Vijay		
<b>(3) Current Liabilities:</b>		
(a) Other Current Liabilities: Creditors		86400
<b>Total</b>		<b>482400</b>
<b>ASSETS:</b>		
<b>(1) Non-Current Assets:</b>		
<b>(a) Fixed Assets:</b>		
<b>(i) Tangible Assets:</b>		
Land & Buildings		216000
Machinery		36000
Furniture		36000
<b>(2) Current Assets:</b>		
(a) Inventories : Stock		66600
(b) Trade Receivables: Debtors		44100
Bills Receivable		36000

**Other Details:**

Bank of Baroda's loan is secured against Land & Building. The assets realized as under:

- First Installment 1,17,000
- Second Installment 64,800
- Third Installment 68,400
- Fourth Installment 82,440

A sum of Rs. 27,000 was kept aside for dissolution expenses. The actual expense was Rs. 21,600 and was paid off. Prepare statement showing Piecemeal distribution of cash among partners as per surplus capital Method.

- Q. 4** Pineapple Ltd and Custard-Apple Ltd entered in to joint venture on the following conditions. Each will get 5% commission on sales effected by him. But if they allow any commission on sales, it should not be treated as an expense of joint business and balance to share profit and losses in the ratio of 3:2 respectively.

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They purchased goods worth Rs. 18,75,000 which was financed by Pineapple Ltd. Pineapple Ltd drew a bill of Rs. 12,50,000 for 3 months on Custard-Apple and discounted the same for Rs. 12,35,000. Discount must be treated as an expense of the joint business. Payment of Bill was made on maturity date. All the goods were sold for cash. The details about expenses and income were as follows:

Particulars	Pineapple Ltd Rs	Custard-Apple Ltd Rs
Carriage	15,000	5,000
Travelling expenses	16,250	15,000
Commission allowed to sales agent	25,000	12,500
Sale proceeds	10,75,000	11,75,000

The unsold stock was Rs. 1,87,500 which was taken over by Pineapple Ltd yielding a gross profit at half the average rate made on sales, Pineapple Ltd paid the amount due to Custard-Apple Ltd.

From the above information prepare Joint Venture Account in the books of Pineapple Ltd and Pineapple Ltd's Account in the books of Custard-Apple Ltd.

**OR**

Vanesh of Valsad has send some goods on invoice price by adding 30% profit on invoice price. Invoice price was 4,05,000 Mukesh of Vapi. Freight and insurance of received goods were paid 5%.

Vanesh drew four months bill on Mukesh which Mukesh accepted and returned immediately. After on month Vanesh has received from Bank 97,500 at a discount of 10%. In the way 8% of invoice price of goods sent has been theft. Insurance company has accepted amount of 23,000 of claim. Consignee, is entitled to get general commission of 9% and del-credere commission of 3%. Details of Account sales send by consignee are as under.

1. He paid 1,924 for freight and octroi and 8,075 for selling expenses.
2. He sold 30% of goods received by adding 20% profit for cash. Remaining 1,61,325 of goods has been sold for 2,07,000 by adding profit on credit.
3. One customer declared insolvent from credit sales from who ₹ 1,080 could be received. Remaining amount has been written off.

From above particular prepare Consignment A/c in the books of Vanesh and Vanesh A/c in the books of Mukesh.

**Q. 5 Write short note (any two):**

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1. Difference between hire purchase and Installment System.
2. Stock debtor System of Branch Account
3. Accounting standards in India
4. General Commission and Del Credere Commission