

**PUNE VIDYARTHI GRIHA'S
COLLEGE OF SCIENCE & TECHNOLOGY
(REGULAR EXAM – SEMESTER -III)**

2023-24

Course	: S.Y.B.Com	Time	: 3 Hr
SEM	: III	Marks	: 100
Date	: 20-10-2023	Subject	: Accountancy and Financial Management

N.B.

1. All Questions are compulsory.
2. Workings should be a part of answer.
3. Use of Simple Calculator is allowed
4. Each Question carry 20 Marks

Q.1 (A) Fill in the blanks with appropriate given options and rewrite complete sentences (Any 10) :

1. The Debit balance of Trading account shows (Gross Profit /Gross Loss)
2. Indian Partnership Act, is in force since (1930 / 1932)
3. Purchase Consideration = Asset Less both at market value (Internal Liabilities / External Liabilities)
4. Reserve are distributed among the partner in ratio (Profit Sharing / Capital Sharing)
5. Discount Allowed is a to firm (Income / Expenses)
6. Loss on realisation is to partners capital A/c (Credit / Debit)
7. Excess capital method is also known as (Highest Relative method / Maximum Loss method)
8. Profit on realisation is to partners capital A/c (Credit / Debit)
9. In excess capital method , the minimum capital is = unit . (Highest / Lowest)
10. The maximum number of partner cannot be more than partner in partnership firm. (10 / 20)
11. Government Dues are Liabilities (Preferential / Unsecured)
12. Amount agreed to be paid by new firm to old firm is called as (Purchase Consideration / Agreed Liability)

Q.1 (B) State whether the following statement is True or False (Any 10) : (10)

1. Profit from profit and loss are Debited to partners capital a/c
2. On amalgamation Reserve and surplus are transferred to Partner capital a/c.
3. Income received in advance is an liabilities.
4. Excess capital method is also known as quotient method.
5. In conversion of partnership into liability company, the partnership business is purchased by limited company.
6. Outstanding Insurance is an asset.
7. Goodwill requires special treatment on amalgamation.

8. In amalgamation of firm, the old firm is called as amalgamating firm.
9. Interest on drawing is income of firm.
10. Asset taken over by partner is credited to his capital account.
11. Closing stock is valued at market price only.
12. Interest on capital is an income to the firm

Q.2 From the following Trail Balance of Rinku and Tiku you are required to prepare a Trading & Profit and Loss A/c for the year ended 31st march, 2023 and Balance Sheet as on that date. **(20)**

Particulars	Debit (Rs.)	Credit (Rs.)
Capital A/c		
- Rinku		60,000
- Tiku		40,000
Drawing A/c		
- Rinku	2,000	
- Tiku	1,000	
Stock as on 01-04-2022	44,000	
Bill Receivable	1,800	
Purchase and Sales	1,90,000	3,02,000
Returns	6,000	2,000
Salaries	10,000	
Carriage Outward	1,400	
Wages	24,000	
Insurance	1,600	
Discount Received		200
Postage	800	
Debtors and Creditors	70,400	64,200
Furniture	24,000	
Cash in Hand	9,800	
Machinery	80,000	
Rent and Taxes	1,200	
Printing and Stationery	400	
Total	4,68,400	4,68,400

Adjustments:

1. The Closing Stock on 31-03-2023 is valued at 56,000 and 70,000
2. The Outstanding expenses are wages, salaries 2,000 and 930 respectively.
3. Goods of Rs. 2,000 are distributed as free samples
4. Interest on Partners Capital was to be provided at 7% p.a.
5. Prepaid Insurance was Rs. 100
6. Depreciation was provided on furniture @ 10% p.a. and on machinery 5% p.a.

7. A reserve for doubtful debt was to be created @ 5% on debtor.

OR

Q.2 Suresh Co. Ltd was formed with an authorized capital of Rs. 1,50,000 consisting of 10,000 Equity shares @ Rs. 10 each and 5,000 7% Preference Shares of Rs. 10 each, to Acquire on 1-4-2022 the business of M/s. A and B who were sharing Profit in ratio of 3:2. Their Balance Sheet As on 31-03-2023 **(20)**

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Trade Creditors	16,580	Land And Building	40,000
Overdraft	8,950	Plant And Machinery	24,000
Capital:		Stock	15,960
A	40,974	Debtors	23,860
B	37,316		
Total	1,03,820	Total	1,03,820

The Company took all the assets and assume all the liabilities and consideration was fixed at Rs. 1,10,000. In computing this figure, Land and Building were valued at Rs. 60,000. Plant and Machinery at Rs. 20,000; Stock at Rs. 15,000 and Debtors at book value subject to allowance of 5% to cover the doubtful debts.

The purchase price was settled by the issue of 3,300 Equity Shares at Rs. 10 each, to the firm, 2,500 Preference Shares of Rs. 10 each and the balance paid in cash.

Prepare :

- A. Realisation A/c
- B. Partners Capital A/c
- C. Suresh Co. Ltd A/c
- D. Cash A/c

Q.3 Raja, Rani, Badshah a partner sharing Profit and Loss in the ratio of 4:2:1. They decided to dissolve the Partnership as on 31.03.2023, when their Balance Sheet as under **(20)**

Liabilities	Rs.	Assets	Rs.
Partner's Capital		Land And Building	1,00,000
Raja	2,00,000	Machinery	3,00,000
Rani	1,20,000	Debtors	90,000
Badshah	40,000	Stock	69,000
10% Loan (Unsecured)	80,000	Cash and Bank	1,000
Bills Payable	60,000		
Creditors	60,000		
Total	5,60,000	Total	5,60,000

Rs. 1,600 has to be provided for realisation expenses.

Thereafter all cash received should be distributed among the partners. The amount were realised as follows.

1st Realisation Rs. 1,20,600

2nd Realisation Rs. 1,00,000

3rd Realisation Rs, 1,58,000

4th Realisation Rs, 55,400

The actual realization expenses Rs. 1,000. Prepare a statement showing Piecemeal Distribution of Cash as per excess capital method.

OR

Q.3 Following is the Balance Sheet of Two Firms as at 31st March 2023.

(20)

Liabilities	Pooja & Co. (Rs.)	Anjali & Co. (Rs.)	Assets	Pooja & Co. (Rs.)	Anjali & Co. (Rs.)
Capital :			Premises		5,000
Pooja	11,500		Computers	10,000	
Poonam	11,500		.Furniture	5,000	7,000
Anjali		18,000	Inventory	9,000	8,000
Nandani		12,000	Debtors	6,000	14,000
General Reserve		3,000	Bank	2,000	4,000
Creditors	5,000	4,000	Cash	1,000	2,000
Bills Payable	5,000	3,000			
	33,000	40,000		33,000	40,000

It was mutually agreed to amalgamate the business from 1st April, 2022.

Terms of amalgamation were as follows:

- Premises were valued at Rs. 10,000 and computers at Rs. 12,000
- Furniture was not taken over by new firm.
- A Reserve of 5% to be created on debtors
- Goodwill was valued as : M/s. Pooja & Co. at Rs. 10,000 and that of M/s. Anjali and Co. at Rs. 15,000.
- The new firm also assumed other Assets and Liabilities of old firm at book value. **Show necessary accounts in the books of old firms**

Q.4 A, B and C carry a business in partnership sharing profits and losses in the proportion of equally. On 31st March, 2022, they agreed to sell their business to a limited company. Their position on that date was as follows.

(20)

Particulars	Rs.	Particulars	Rs.
A's Capital	40,000	Machinery	48,000
B's Capital	30,000	Furniture	42,000
C's Capital	26,000	Stock	23,000
Loan on Mortgage	16,000	Book Debts	15,000
Sundry Creditors	18,000	Cash	2,000
Total	1,30,000	Total	1,30,000

The Company took the following assets at the valuation shown below:

Machinery	Rs. 61,000
Furniture	Rs. 31,800
Stock	Rs. 22,000
Book Debts	Rs. 14,000
Goodwill	Rs. 10,000

The company also agreed to pay the creditors which was agreed at Rs. 17,700. The company paid Rs. 67,000 in fully paid shares of Rs. 10 each and the balance in cash. The expenses amounted to Rs. 1,500.

Prepare ledger accounts in the books of the firm.

OR

Q.4 (a) X, Y and Z share profit and losses in the proportion of 3:2:1. Their Balance Sheet is as follows:

(10)

Liabilities	Rs.	Assets	Rs.
Capital Accounts		Sundry Assets	80,000
- X	30,000		
- Y	30,000		
- Z	20,000		
Total	80,000	Total	80,000

The Partnership is dissolve and the assets are realised as follows:

1st Realisation – Rs. 17,000

2nd Realisation – Rs. 21,000

3rd and Final Realisation – Rs. 36,000

You are required to prepare statement of Excess Capital .

Q. 4 (b) Azar Brother and Ayaz Brothers. decided to amalgamate on the following terms and conditions on 1st April 2023, when their Balance Sheet were as follows:

(10)

Particulars	Azar Brother	Ayaz Brothers	Particulars	Azar Brother	Ayaz Brothers
Capital a/c :			Buildings	50,000	
Heena	86,400		Furniture	31,600	48,600
Tina	63,600		Investment	25,000	
Sanjay		1,12,300	Stock	34,100	49,500
Ajay		42,200	Debtors	40,000	50,000
Creditors	27,500	15,500	Cash at Bank	9,300	21,900
Bank Loan	12,500				
	1,90,000	1,70,000		1,90,000	1,70,000

Terms of Amalgamation:

1. In case of Azar Brother

a. Goodwill was valued at Rs. 60,000

b. Heena Took over bank Loan

c. Investment was taken over by new firm at Rs. 30,000

- d. Building was taken to be worth of Rs. 90,000
 - e. Stock to be valued at Rs. 32,600
 - f. Provision for doubtful debt to be created 5% on debtors
2. In case of Ayaz Brothers
- a. Goodwill was valued at Rs. 50,000
 - b. Stock was valued at Rs. 42,000
 - c. Provision for doubtful debt to be created at 4% on debtors

Other assets and liabilities of both the firm was taken at book values.

You are required to calculate Purchase Consideration.

Q.5. Answer the following

- a. What do you mean by purchase consideration? Explain the type of purchase consideration. **(10)**
- b. Limited liability of partnership. **(10)**

OR

Q.5 Write Short notes any 4 of the followings

(20)

- a. Trading account
- b. Amalgamations of partnership firm
- c. Order of payment of External Liabilities in Piecemeal Distribution
- d. Sale of Firm of company
- e. Highest Relative Capital Method
- f. partners capital Accounts

.....**ALL THE BEST**.....