

Bachelor of Commerce Part - I Examination: December 2017
(Centre of Distance Education)

Day & Date	Part	Subject Name	Time	Code	Marks
Friday 29/12/2017	I	Accountancy	10.30 PM to 01.30 PM	4107	100

Instructions: 1) Question One is compulsory.
2) Attempt any five questions from Question 2 to Question 8.

- Q.1** A, B and C are partners sharing profit & losses in the ratio 2:2:1. Their balance sheet as at 30th September 2017 is as follows: **20**

Balance Sheet			
Liabilities	Amt	Assets	Amt
Sundry Creditors	4,000	Bank	5,000
Capital Accounts		Debtors	4,000
A 20,000		Stock	15,000
B 10,000		Furniture	2,000
C <u>7,000</u>	37,000	Machinery	15,000
	<u>41,000</u>		<u>41,000</u>

They decided to dissolve the firm. The assets realized were as follows.

1. Machinery Rs. 16,000, Furniture Rs. 1,000, Stock Rs. 14,000, Debtors Rs. 3,500.
2. Creditors were paid after obtaining a discount of 5%.
3. A agreed to bear all realization expenses for which he was remunerated Rs. 1,200. Actual expenses amounted to Rs. 2,000 which was withdrawn by him from the firm. There was an unrecorded asset of Rs. 500 which was taken over by B for Rs. 400.

Prepare necessary Ledger.

- Q.2** The following particulars related to Bombay Branch of Rahul Traders with head office at Pune for the year 2017. **16**

	Rs.
On 1.1.2017	
At Branch	
Stock	12,000
Debtors	4,000
Petty Cash	500
Furniture	3,000
Outstanding expenses	150
During the year 2017	
Goods sent to branch	1,24,000
of which goods returning by branch was worth Rs.	2,000

Total sales was Rs.1,80,000 of which 75% was on cash basis. Goods worth Rs. 2,000 were returned by customers. Customers paid Rs. 36,000 to branch and Rs. 2,000 to head office directly and were allowed a discount of Rs. 1,000. Branch does not retain any rent cash from its receipts. Amount remitted to Branch for expenses was Rs. 8,000 to pay for rent Rs. 2,400, Salaries Rs. 3,600, petty expenses Rs.1,200 and annual insurance premium for year ending 31st March each year Rs. 800.

Depreciation chargeable @ 10% on furniture goods worth Rs. 1,600 was destroyed in an accidental fire and head office received Rs. 1,200 from insurance company as claim.

On 31st December 2017, stock was valued Rs. 8,000, due from debtors were Rs. 8,000 cash on hand was Rs. 900. All expenses for year were paid except salary Rs. 250.

Prepare Branch Account.

Q.3 State with the reason whether the following expenditure is Capital or Revenue. 16

- a) Spent Rs. 10,000 on preparation of sale deed in connection with purchase of building.
- b) Wages incurred to install the machinery 10,000.
- c) Insurance of building.
- d) Cost of improving sitting accommodation by a cinema house.
- e) Amount used to repay loan.
- f) Travelling expenses of director for a trip abroad for purchasing capital goods.
- g) Freight on the new machine.
- h) Expenditure on uniforms to office staff.

Q.4 Ravi consigned goods to Suraj costing Rs. 1,00,000. The proforma invoice was made to show a profit of 25% on cost. Ravi paid freight, Insurance Rs. 2,000. Suraj sold Rs. 3,000 as warehousing charges, Rs 1,000 as selling expenses. Suraj is entitled to a commission of 5% on sales and 20% of the net profit after charging such commission on sales. Suraj paid the amount due by bank draft. Draw up the Consignment Account in the books of Ravi. 16

Q.5 Write short notes on. (Any Three) 16

- a) Types of Conventions
- b) Meaning & features of capital Expenditure
- c) Types of Primary books
- d) Retirement of firm

Q.6 Prepare Bank Reconciliation statement as on 31st March 2017 from the following. 16

- a) Balance as per cash book 615/-.
- b) Cheques deposited in the bank but not realized Rs. 1500.
- c) Cheque issued but not presented for payment Rs. 1400.
- d) Interest of Rs. 100 and dividend of Rs. 200 collected and credited by the bank but these were not recorded in the cash book.

- e) Insurance premium of Rs. 250 and the bank charges of Rs. 50 debited in the pass book but these were not recorded in the cash book.
- f) Cheques of Rs. 445 issued and it was presented for payment but entered in the cash book Rs. 544.
- g) Cheque of Rs. 1200 deposited into the bank it was realized but entered twice in cash book.

Q.7 The following is the receipts and payments account of Star Club for the year ended 31st December 2016. 16

Receipts	Rs.	Payments	Rs.
Cash in hand 1.1.16	1,500	Bank overdraft (1.1.2016)	3,100
Subscriptions		Investment in securities	3,000
2015	300	Furniture	1,450
2016	16,200	Salaries	6,200
2017	150	Stationary & Printing	890
Income from entertainment	290	Miscellaneous Expenses	1,420
Entrance fees	670	Balance on 31.12.2016	
Interest on securities	600	Cash in hand 550	
		Cash at Bank <u>3100</u>	3,650
	19,710		19,710

Prepare Income and Expenditures account of the Club for the year ended 31st December, 2016 and a balance sheet.

- a) The Club has 1800 members each paying an annual subscription of Rs. 10. Subscription amounting Rs. 90 are in arrears in respect of the year 2015.
- b) Stock of stationary on 31st December 2015, was Rs. 125 and 31st December, 2016 Rs. 87.
- c) Entrance fees are to be capitalized.
- d) Salary of Rs. 550 for December 2016 is outstanding, Expenses accruing at 31st December 2015, amounted to Rs. 132. The club paid Rs. 500 in the year 2015 towards telephone charges of which 125 relate to 2016.
- e) As on 31st December 2015 premises stand in the books at Rs. 24,500 and Investment at Rs. 6,500. Depreciate premises and furniture by 10% p.a. (Furniture was purchased on 1.1.2016)

Q.8 Following are some of the items of Balance Sheet of P, Q, and R. 16

Liabilities	Rs.	Assets	Rs.
Capital		Deferred Advertisement	
P 30,000		Expenditure	6,000
Q 40,000			
R 50,000	1,20,000		
General Reserve	30,000		
P/L A/c	24,000		

Profit Sharing ratio P : Q : R
5 : 3 : 2

Prepare a statement showing excess capital.