

Bachelor of Commerce Part - I Examination: May 2018
(Centre of Distance Education)

Day & Date	Part	Subject Name	Time	Code	Marks
Thursday 10/05/2018	I	Accountancy	02.30 PM to 05.30 PM	4107	100

Instructions: 1) Question One is compulsory.

2) Attempt any five questions from Question 2 to Question 8.

- Q.1** Following is the Balance sheet of Santosh & Rajesh who shared Profits & Losses in the ratio of 3:2 **20**

Balance Sheet as at 31st December, 2016			
Liabilities	₹	Assets	₹
Capitals		Cash & Bank	6000
Santosh's 50000		Furniture	30000
Rajesh <u>50000</u>	100000	Investments	10000
		Machinery	70000
Reserve Fund	10000	Debtors	7000
Santosh's Loan	1000		
Bills Payable	2000		
Creditors	10000		
	123000		123000

The Firm was dissolved on 31st Dec, 2016. The following information is available

- 1) Santosh took over the investments at ₹ 9200.
- 2) Cash realized from debtors ₹ 6500; Machinery sold for ₹ 67,500.
- 3) Rajesh agreed to take over Furniture at ₹ 28000 & agreed to meet the bills payable at ₹ 1500.
- 4) Dissolution expenses amounted to ₹ 1400.
- 5) Orders were paid ₹ 9700 in full settlement. Prepare necessary accounts to close the books of the firm.

- Q.2** The following particulars related to Bombay Branch of Ashok Traders with head office at Pune for the year 2016. **16**

	₹
On 1.1.2016	
At Branch	
Stock	15000
Debtors	5000
Petty Cash	1000
Furniture	6000
Outstanding Expenses	400
During the year 2006	
Goods sent to Branch	150000
Of which goods returned by Branch was worth ₹	4000

Total sales was ₹ 180000 of which 60% was on cash basis. Goods worth ₹ 5000 were returned by customers. Customers paid Rs. 46000 to Branch and Rs. 3000 to head office directly and were allowed a discount of Rs. 1500. Branch does not retain any rent cash from its receipts. Amount remitted to Branch for expenses was Rs. 7000 to pay for rent Rs. 2000, Salaries ₹ 4000, Petty expenses ₹ 1000 and Annual Insurance premium for year ending 31st March each year Rs. 600.

Depreciation chargeable @ 10% on Furniture, Goods worth ₹ 2000 was destroyed in an accidental fire and head office received ₹ 1500 from Insurance Company as claim. On 31st December 2016, stock was valued ₹ 9000, Due from debtors were ₹ 9000, Cash on hand was ₹ 500. All expenses for year were paid except salary ₹ 400.

Prepare Branch Account

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

- a) A sum of ₹ 4000 was spent on painting the new factory.
- b) Customs duty paid on Raw Material purchased.
- c) Legal expenses ₹ 7000 paid in connection with purchases of land
- d) Sold 9% Government securities (Investment) for ₹ 150000
- e) Wages paid to workers for setting up new machinery.
- f) Office rent paid in advance for 3 years.
- g) Preliminary Expenses paid ₹ 42000.
- h) ₹ 60000 spent on construction of railway siding.

Q.4 On 1st January 2017, Lila & Co of Calcutta consigned 100 cases of Milk Powder to Shila & Co of Bombay. The goods were charged at a Proforma Invoice value of Rs. 10000 including a profit of 25% on invoice price. On the same date, the consignors paid Rs. 600 for freight & insurance. On 1st July the consignee paid import duty Rs. 1000, dock dues paid Rs. 200. On 1st August, they sold 80 cases for Rs. 10500 and sent a remittance for the balance due to the consignors after deducting commission at the rate of 5% on gross sale proceeds. Show the consignment A/c and Shila & Co's A/c in Lila & Co's Book. 16

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

- a) Concept of Deferred Revenue Expenditure
- b) Meaning & types of Dissolution
- c) Types of Accounting concepts
- d) Order of payments in piecemeal distribution

Q.6 Prepare Bank Reconciliation statement as on 31st March 2018. Pass book shows credit balance Rs. 150000 16

- a) Cheque issued but not presented for payment by creditor Rs. 10000
- b) Cheques amounting to Rs. 35000 deposited into bank but were not collected before 31st March, 2018
- c) Rs. 10000 were directly paid by bank as LIC Premium as per our instruction, were not recorded in cashbook.
- d) Dividend Rs. 5000 collected by bank and credited in the pass book was not recorded in cash book

- e) A cheque of Rs. 5000 received and paid into bank on 25th March was dishonored and returned by bank on 1st April. No Entry was made in the cash book regarding dishonor of the cheque.

Q.7 From the following information prepare income & expenditure A/c of Kothari Club for the year ended 31st March 2017 & the balance sheet as on that day. **16**

Receipt and Payment A/c for year ended 31st March, 2017

Dr		Cr	
Receipts	₹	Payments	₹
To Balance b/d (Opening Cash Balance)	17500	By Bank Overdraft	25000
To Subscription Received		By Salaries	53000
2006-2007	1300	By Furniture	20000
2007-2008	141000	By Investment	40000
2008-2009	750	By Printing	8000
To Proceeds from drama	25000	By Cost of organizing drama	15000
To Entry Fees	8000	By Sundry Expense	13000
To Interest on Security	5200		
To Sale of old Furniture	2000	By Cash at Bank	25000
		By Cash in Hand	1750
	<u>200750</u>		<u>200750</u>

Additional Information:

- The Society has 15000 members, each paying annual subscription of Rs. 120
- Subscription of Rs 1000 relating to year 2006-2007 are still in arising
- Depreciate Building by 25% & Furniture by 5%
- Value of stationery at net on 31st March, 2016 was Rs 2000 and on 31st March, 2017 was Rs 1500
- Entry Fees are treated as Capital Receipts
- Salary of Rs 7000 for current year is unpaid
- Balance as an 31st March, 2016 were as under Investment Rs. 45000, Building Rs. 250000, Furniture Rs. 2000

Q.8 Patel, Shah & Desai dissolve their firm on 31st December, 2016 when their Balance sheet stood as under **16**

Liabilities	Amt (₹)	Assets	Amt (₹)
<u>Capitals</u>			
Patel 30000		Fixed Assets	160000
Shah 40000		Cash Balance	20000
Desai 50000	120000	Referred	20000
General Reserve	20000	Advt. Expenditure	
Creditors	60000		
	<u>200000</u>		<u>200000</u>

The fixed assets were sold on 31st January 2017; 28th February, 2017; and 15th March, 2017 realizing Rs. 20000; Rs. 30000 and Rs. 105000 respectively. The profit sharing ratio of partners is 2 : 3 : 5
Show statement of distribution of cash and also the capital accounts of partners. Follow excess capital Method.