



॥ विद्या सर्वस्य भूषणम् ॥

PRABODHAN EDUCATION SOCIETY'S

Vidya Prabodhini College of Commerce, Education, Computer & Management
Vidyanagar, Alto-Parvari, Goab

SEMESTER END EXAMINATION – OCT/ NOV 2017 (Repeat)

Sub: Financial Accounting

Semester: I

M. Marks: 80

M. Time: 10:00 a.m – 12.00 p.m.

INSTRUCTIONS: 1. Each Question carries 20 marks

2. Question No.1 is compulsory
3. Answer **Any Three** from Question 2 – Question 6
4. Scientific calculators are not allowed.

1. Talaulikar bought a Machinery on 1.1.2012 for a sum of Rs. 5,00,000 having an useful life of 5 years. He decided to charge depreciation according to sinking fund method. The sinking fund investments are expected to earn an interest of 10% p.a. The depreciation amount charged every year is Rs. 90,000. The investments are sold at the end of the 5th year for a sum of Rs. 4,70,000. The scrap of the old plant realises Rs.35,000.
You are required to prepare necessary accounts in the books of Talaulikar. (20)
2. Prepare necessary Cash or Bank Vouchers for the following transactions. (20)
Prepare a cash book with bank column and balance the same. Prepare Cash and Bank transactions of "Radhamani Traders" Panjim. (Bankers – Bank of India, Panjim).

2017

Jun, 01	Cash in hand ₹70,500
Jun, 01	Cash at bank ₹ 1,00,000
Jun, 02	Cheque No. 999888 for ₹90,000 drawn on Bank of India, issued to "Ladakh agencies" against bill no. 9696
Jun, 05	Cash sales of ₹77,000 to Mr. Sonpadi
Jun, 07	Cash sales as per Bill No. 1017 ₹80,000
Jun, 10	Cheque No. 446699 for ₹75,000 drawn on Bank of India received from M/s V. V. Shetye towards full settlement of our Bill No. 78910
Jun, 15	Petty cash expenses ₹25,000 as per Petty Cash Book Folio NO. 666
Jun, 20	Paid to London Hotels vide Cheque No.365686 for ₹50,000 against Bill No. 4444
Jun, 22	Sales realised ₹80,000 as per Bill No. 1016
Jun, 25	Sales realised ₹50,000
Jun, 30	All the above vouchers are entered in Cash Book Folio No. 999

3. Ronda co. ltd. was formed to take over the business of Rood and Honda who were carrying on business in partnership. The balance sheet of the firm was as follows: (20)

LIABILITIES	₹	ASSETS	₹
Creditors	1,00,000	Buildings	1,05,000
Profit and loss account	1,55,000	Machinery	65,000
Capitals: Rood	30,000	Stock	50,000
Honda	15,000	Debtors	48,000
		Investments	20,000
		Cash	12,000
	3,00,000		3,00,000

The company took over all the assets and liabilities, except the investments at book values and the purchase consideration of ₹3,00,000 was satisfied by the issue of 24,000 equity shares of ₹10 each fully paid and the balance in debentures in Ronda Co. Ltd. The investments were taken over by Rood at book value. The shares in Ronda Co. Ltd. have been distributed between Rood and Honda in the ratio of 2:1 and the final settlement is being made in the form of debentures. Show the necessary ledger accounts to close the books of the firm. Show Realization a/c, Ronda Co. Ltd. a/c, Shares in Ronda Co. Ltd. a/c, Debentures in Ronda Co. Ltd. a/c and Partner's Capital a/c in the books of Rood and Honda firm.

4. A) Rathod kept his books under single entry system. From the following details ascertain his profit or loss for the year ended 31-3-2017 and prepare a revised statement of affairs as on that date: (10)

PARTICULARS	₹ (1/4/2016)	₹(31/3/2017)
Plant	25,000	25,000
Furniture	14,000	14,000
Stock	11,000	16,000
Debtors	19,000	22,600
Bills Receivable	16,000	17,000
Cash on Hand	10,000	12,000
Bank overdraft	18,000	20,000
Creditors	50,000	65,000

Rathod introduced a further capital of ₹2,000 on 1-10-2016. The drawings during the year amounted to ₹ 18,700. Depreciate Plant and Furniture by 10% and 15% respectively. Debtors include ₹ 600 from a customer who is insolvent and is irrecoverable. Allow interest on capital at 10%.

- B) Explain Accounting Concepts & Conventions in brief. (10)

5. Hari Ram who kept his books under single entry system asks you to prepare his trading and profit and loss account for the year ended 31-12-2016 and the balance sheet as on that date, from the following details: (20)

PARTICULARS	₹	PARTICULARS	₹
Capital (1/1/2016)	55,000	Machinery	16,000
Sundry Creditors	5,000	Furniture	12,000
		Stock	20,000
		Sundry Debtors	11,000
		Cash in Hand	1,000
Cash receipts during the year			
Cash Sales			17,000
Collections from debtors			52,000
Cash Payments during the year			
Payments to creditors			39,000
Salaries			3,500
Wages			2,500
Sundry expenses			10,000
Investments			4,000
Drawings			8,000
Other Particulars			
Credit sales during the year			54,000
Credit purchases during the year			38,500
Discount allowed			1,700
Discount earned			1,500
Bad debts written off			500
Goods as on 31-12-2016			25,000
Depreciate machinery and furniture @ 10%			

6. Answer **Any Four** of the following:

(4X5=20)

- Sum of digits method of depreciation
- Purchase Consideration
- Significance of Accounting Standards
- Disclosure of Accounting policies
- Matching concept

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