

B.B.A. (NEP Pattern) Semester-I
FA-2 - Financial Accounting

P. Pages : 4

Time : Three Hours



GUG/W/24/16177

Max. Marks : 80

- Notes :
1. Attempt **any five** questions.
 2. All question carry equal marks.

1. State the characteristics of Accounting principles and explain the various accounting Conversion? **16**

2. Journalize the following Transaction in the books of trader. **16**

Debit Balance on 1st Jan. 2019:

Cash in hand Rs. 8,000, Cash at Bank Rs. 25,000, Stock of Goods Rs. 20,000, Furniture Rs. 2,000, Building Rs. 10,000, Sundry Debtors Vijay Rs. 2,000, Anil Rs. 1,000 and Madhu Rs. 2,000.

Credit Balance on 1st Jan. 2019:

Sundry creditors Anand Rs. 5,000 Loan from Balu Rs. 10,000.

Following were further transaction in the month of Jan. 2019.

Jan. 1	Purchased goods worth Rs. 5,000 for cash less 20% trade discount and 5% cash discount.
4	Received Rs. 1,980 from Vijay & allowed him Rs. 20 as discount.
6	Purchase goods from Bharat Rs. 5,000
8	Purchased goods from Mukesh for Rs. 5,000 and paid Rs. 100 as cartage for bringing the plant to the factory and another Rs. 200 as installation charges.
12	Sold goods to Rahim on credit Rs. 600.
15	Rahim become an insolvent & could pay only 50 paisa in rupee.
18	Sold goods to Ram for cash Rs. 1,000
20	Paid Salary to Ratan Rs. 2,000
21	Paid Bharat Rs. 4,800 in full settlement
26	Interest received from Madhu Rs. 200
28	Paid to Balu interest on loan Rs. 500
31	Sold goods for cash Rs. 500
31	Withdrew goods from business for personal use Rs. 200

3. What are the characteristic of Receipt & Payment account? **16**

Trial Balance
As on 31st March 2021

Particular	Amount	Particular	Amount
Land & Building	1,75,000	Paid up Share Capital	3,00,000
Plant & Machinery	80,000	(Dividend in 30,000	
Loose tools	20,000	Shares at Rs. 10 each)	
Stock on 1 st April 2020	75,000	Sundry creditors	45,000
Sundry Debtors	80,000	Bills payable	19,716
Carriage inward	1,500	Return outwards	1,950
Carriage outward	1,650	Sales	3,00,000
Rent, Rates & taxes	2,000		
Salaries	16,000		
Purchase	75,000		
Repairs	2,500		
Furniture	15,000		
Bills Receivable	30,000		
Printing & Stationery	1,200		
Bad debts	2,950		
Coal, Gas & Water	750		
Motive Power	5,900		
Cash in Hand	2,216		
Cash at Bank	80,000		
	6,66,666		6,66,666

Adjustment:

- 1) Stock on 31st March 2021 was valued at cost price Rs. 78,000 and Market Price Rs. 80,000.
 - 2) Outstanding expenses: Rent & taxes Rs. 1,500, Salaries Rs. 7,000.
 - 3) Provide Depreciation 6% on Plant & Machinery and 20% on furniture.
 - 4) Provide RDD 5% on sundry debtors.
 - 5) Transfer Rs. 12,200 to General reserve.
 - 6) The board of directors had declared dividend at return of 8% on paid up capital.
- Prepare Trading & Profit/Loss Account & Balance Sheet on 31st March 2021.

5. Determine the step in profit prior to incorporation & post incorporation. 16

6. Following was the Balance Sheet of Janata Ltd., as on 31st March, 2019. 16

Liabilities	Amount	Assets	Amount
Share Capital		Goodwill	2,24,000
2000; 8% Preference		Land & Building	4,36,000
Share of Rs. 100 each	2,00,000	Plant & Machinery	1,80,000
Fully paid		Furniture	20,000
4000 Equity Share of	3,20,000	Office equipment's	40,000
Rs. 100 each Rs. 80 paid up		Stock	1,98,000
6000 Equity Share of	4,20,000	Debtors	1,72,000
Rs. 1,000 each Rs. 70 paid up		Bills receivable	44,000
8% Debenture (Having	2,00,000	Cash in Hand	14,000
Floating charge on all asset)		Profit & Loss A/c.	1,40,000
Debenture Interest	8,000		
Creditors	3,20,000		
	14,68,000		14,68,000

The Company went into voluntary liquidation as on that date:

- i) The preference dividend was in arrears for 3 years and as per the articles it was to be returned before returning equity capital.
- ii) Sundry creditors include a loan of Rs. 80,000 secured on the hypothecation of Plant & Machinery and preferential creditors of Rs. 20,000.
- iii) The Liquidator realized the asset as follows:

Land & Building	Rs. 4,30,000	Stock	Rs. 1,40,000
Plant & Machinery	Rs. 1,00,000	Debtors	Rs. 1,20,000
Office equipment's	Rs. 25,000	Bill Receivable	Rs. 28,000
Furniture	Rs. 16,000		
- iv) Legal Charges on liquidation amounted to Rs. 2,000.
- v) The liquidation expenses were Rs. 5,200.
- vi) The liquidator's remuneration was fixed at Rs. 2,000. Plus 2% on sale of asset, Plus 4% on the amount distributed to unsecured creditors including preferential creditors.
- vii) There was a typewriter which was completely written off from the books of account but liquidation sold it for Rs. 1,000, which was not included in the amount of office equipment above.

Prepare liquidator's final statement of account if the amount were paid on 30th June 2019.

7. What is Share? Explain the types of shares. 16

8. Bharat Co. Ltd. issued 6000 share @ of Rs. 50 each issued on a premium of Rs. 10 each the money was called up as follows: 16

On application	Rs. 15 per share
On allotment	Rs. 20 per share (Including premium)
On First call	Rs. 15 per share
On Final call	Rs. 10 per share

Company received 7,500 applications out of which 300 application were rejected and remaining applicants were allotted share on pro-rata basis.

Bhagwan who had applied for 120 shares did not pay allotment and first call as such his share were forfeited.

Laxmi did not pay final call on 125 share therefore her share were also forfeited.

Out of forfeited share 200 share were re-issued to Parmanand @ Rs. Per share.

Pass journal entries in the books of the company.

9. The following is the Balance Sheet of Rupa Co. Ltd. as on 31st December 2017. 16

Liabilities	Amount	Assets	Amount
Equity Share Capital (6000 Shares of Rs. 100 each)	6,00,000	Cash at Bank	50,000
		Sundry Debtors	80,000
5% Debentures (5000 Debentures of Rs. 100 each)	5,00,000	Stock	1,20,000
		Investments	1,00,000
General Reserve	70,000	Land & Buildings	4,10,000
Profit & Loss A/c.	20,000	Furniture	60,000
Sundry Creditors	30,000	Goodwill	70,000
Other Liabilities	10,000	Plant & Machinery	3,40,000
	12,30,000		12,30,000

All the assets were independently valued at Rs. 14,00,000.

The Company earned net profit for the last five years as follows:

Rs. 80,000; Rs. 84,000; Rs. 92,000; Rs. 88,000; and Rs. 96,000. And a fair investment return may be taken at 10%.

Find out the value of equity share of the company by the:-

- a) Net Asset valuation method.
- b) Yield Valuation method.

10. Write Short Notes any two.

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- a) Functions of Accounting.
- b) Convention of Accounting.
- c) Share Capital.
- d) Winding-up of Joint stock company.
