

M.B.A. CBCS Pattern Semester-I
PCB1F05 - Financial Accounting

P. Pages : 5

Time : Three Hours



GUG/S/24/10678

Max. Marks : 70

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

1. a) Journalise the following transaction in the book of Mr. Kalam: -

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2020 April-1

Opening Balance

Asset:

Cash in hand	7,000
Cash at bank	40,000
Stock	20,000
Furniture	5,000
Sundry Debtor's	
Vijay	1500
Ajay	1000

Liabilities: -

Sundry Creditor's	
Pradeep	900
Dinkar	800
Bank loan	4,000

April 1 Bought goods for cash Rs. 1400

4. Purchased goods worth Rs. 5000 less 20% trade discount and 5% cash discount.
6. Cash sales Rs. 8000
8. Rs. 1450 received from Vijay and allowed him discount Rs. 50/-
10. Kalam Withdraw Rs. 500 from bank for his personal use
12. Cash Rs. 875 paid to Pradeep and discount allowed him Rs. 25
13. Sold goods to Ramesh Rs. 1000
17. Goods worth Rs. 400 were damaged in transit a claim was made on the railway authorities for the same.
20. Purchase 100 equity share's in Bajaj Ltd. @ Rs. 50 per share, brokerage paid Rs. 50.
- Purchased a new furniture Rs. 500 payment made by cheque.
24. Paid electricity bill by cheque Rs. 500
26. Purchased stationary Rs. 250
28. Sold old furniture Rs. 350
30. Paid salary for the month Rs. 1000
30. Paid for carriage Rs. 140 and for postage Rs. 60.

- b) Record the following transaction's in the three column cash Book.

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2020

- May 1. Mr. Ranade started business with cash Rs. 50,000/-
2. He opened a Bank Account in Dena Bank and deposited Rs. 5,000
 4. Bought goods for Rs. 10,000 from Marathe @ 2% C.D.
 6. Goods sold for Cash Rs. 12,000

8. Received crossed cheque of Rs. 14,000 from Jog.
10. Issued a cheque of Rs. 5,000 to Joglekar
13. Received Rs. 9900 from Nene in full settlement of Rs. 10,000
14. Paid Rs. 3850 to Paranjpe in full settlement of Rs. 4000/-
18. Furniture purchased of Rs. 30,000 on credit from sunder furniture house by giving 50% advance by cheque.
20. Goods sold for cash Rs. 20,000
22. Bearer cheque Received from M. Pende Rs. 7000
24. The cheque received from Pendge deposited in to bank.
25. Cash withdraw from Dena Bank for business Rs. 2000.
26. Dividend received from company Rs. 1000/-
27. Paid Salary Rs. 2000
28. Paid for conveyance Rs. 1000.

2. Prepare a Bank Reconciliation statement from the following data as on 30.11.2017. 14

1. Balance as per pass book on 30th November 2017 overdrawn ₹ 9,204/-
2. Cheques drawn on 30th Nov 2017 but not cleared till Dec 2017 ₹ 3,225, ₹ 745 and ₹ 926.
3. Bank overdraft interest charged on 28th Nov 2017 not entered in the cash Book ₹ 1610.
4. Cheques received on 29th Nov 2017 entered in cash book but not deposited to Bank till 3rd Dec 2017 ₹ 11,322 and ₹ 1730.
5. Cheque received amounting to ₹ 35 entered in the cash book twice.
6. Bill's receivable due on 29th Nov 2017 was sent to Bank for collection on 28th Nov 2017 and was entered in the cash Book fourth with but the proceeds were not credited in Bank pass book till 3rd Nov 2017 ₹ 2980.
7. Aperiodic payment by bank for ₹80 under standing instruction not entered in cash Book.
8. Cheque deposited on 30th Nov 2017 dishonored but the entry there of was not made in the cash Book ₹ 1890

3. Receipts & payments A/c of Ladies club for the year ended 31st December 2018. 14

Receipts	Amt.	Payment	Amount
To Balance (B/d) on (1.1.2018)	3,350	By Salaries	4,500
To Subscription (including Rs. 250 for 2017 and Rs. 150 for 2019)	8,900	By Rent	2,200
To Donation	15,000	By Printing & Stationary	190
To Admission fees	100	By Postage	160
To Sale of old New's paper	50	By Furniture	5,000
To Sale of old furniture (Book value 400)	300	By Investment National Saving Certificate	10,000
		By Sports material purchased	2,000
		By General exp.	500
		By Repair's of Sports Material	200
		By Balance (c/f)	2950
	27,700		27,700

Additional Information: -

1. Asset on 1st January 2018 were as follow's land & Building Rs. 5,000 furniture Rs. 400; sports material Rs. 1100; Outstanding Subscription Rs. 250.
2. Donation represent: Donation taken for building fund
3. Subscription outstanding for the year 2017 Rs. 500/-
4. Outstanding salaries for 2018 Rs 500
5. Depreciation on furniture by 10% and sports material is valued at Rs. 800.

Prepare income & Expenditure A/c for the year ended on 31st Dec 2018 and balance sheet as on that date.

4. From the following trial Balance prepare final Account of A, B, C company as on 31st March 2020. 14

Trial balance
As on 31st March 2020

Dr.		Cr.	
Particular	Amt.	Particular	Amt.
Land & Building	1,75,000	Paid up share capital (Divided in 30,000 share at ₹ 10 each)	3,00,000
Plant & Machinery	80,000	Sundry Creditor's	45,000
Loose tools	20,000	Bills Payable	19,716
Stock on 1-4-2019	75,000	Return outwards	1,950
Sundry Debtor's	80,000	Sales	3,00,000
Carriage Inward	1,500		
Carriage Outward	1,650		
Rent Rates & Taxes	2,000		
Salaries	16,000		
Purchases	75,000		
Repairs	2,500		
Furniture	15,000		
Bills Receivable	30,000		
Printing & Stationary	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 2020 was valued at Cost price ₹ 78,000 and market price ₹ 80,000/-
- 2) Outstanding Expenses: - Rent & taxes ₹ 1500, Salaries ₹ 7,000
- 3) Provide depreciation 6% on plant & machinery and 20% on furniture.
- 4) Provide R.D.D. 5% on sundry debtor's
- 5) Transfer ₹ 12,200 to general Reserve.
- 6) The board of Director's had declared dividend at return of 8% on paid up share capital. The aturhoised share capital of the company was ₹ 10,00,000 divided into 1,00,000 share at the rate of ₹10 each.

5. a) The following information relates to the business of a partnership firm: - 7
- i) Average capital employed in the business ₹ 8,50,000/-
 - ii) Trading profit of the firm for the past three year's, prior to taxation were ₹ 1,57,000 ₹ 190500 and ₹ 200420.
 - iii) The unchanged tax rate is 35%
 - iv) 10% may be taken as Reasonable rate of return in this types of Business.
 - v) Partners get ₹ 18,000 per annum for their services.
- You are require to compute the value of Goodwill of the firm on the following basis.
- a) Five year's purchase of annual average super profit
 - b) Capitalization of annual average super profit at reasonable return 10%

- b) Balance sheet of golden Co. Ltd as on 31st March 2015. 7

<u>Liabilities: -</u>	
Share capital: 2000 share of Rs. 100 each	2,00,000
General Reserve	40,000
Profit & Loss A/c	32,000
Sundry Creditor's	1,28,000
Income Tax Reserve	60,000

	4,60,000

<u>Assets:</u>	
Land & Building	1,10,000
Plant & Machinery	1,30,000
Patents & Trade Marks	20,000
Stock	48,000
Debtor's	88,000
Bank balance	52,000
Preliminary exp.	12,000

	4,60,000

The expert valuer valued the land & building at ₹ 2,40,000 Goodwill at ₹ 1,60,000, and plant & machinery at ₹ 1,20,000 out of the total debtor's, it is found that Debtor's of ₹ 8000 /- are bad.

The profit of the company have been as follow's

	Rs.
2012-13	80,000
2013-14	90,000
2014-15	1,06,000

The company follow's the practice of transferring 25% of the profit to General Reserve, similar type of business earn at 10% the value of their share Ascertain the value of share of the company under-

- i) Intrinsic value method
- ii) Yield value method
- iii) Fair value method

6. A limited company went into liquidation on 31st Dec 2021 the Balance sheet as on that date was as follows: - 14

Liabilities	Amount	Asset	Amount
5000 10% preference share of ₹ 100 each	5,00,000	Building	2,00,000
5000 equity share of ₹ 100 each ₹ 90 paid.	4,50,000	Machinery	6,00,000
5000 equity share of ₹ 100 each ₹ 80 paid.	4,00,000	Stock	3,00,000
12% mortgage loan on Building	1,00,000	Sundry Debtor's	4,00,000
6% Debenture (secured by floating charge)	2,00,000	Loan's	60,000
Preferential Creditor's	50,000	Cash at Bank	40,000
Trade Creditor's	3,00,000	Preliminary Expenses	30,000
		Profit & Loss A/c	3,70,000
	20,00,000		20,00,000

Interest on mortgage Loan and debenture is paid upto 31st December 2021. The liquidator's is entitled to a commission of 3% on actual cash realized by him excepting cash at Bank and 2% on amount distributed among equity share-holder's. The dividend on preference share was in arrear's for two years. The arrears are payable on liquidation.

The Asset realized as follows: -

Building 50% over book value

Machinery 20% less, stock 5% less and sundry debtors 10% less than the book value loan were wholly bad.

The expenses of liquidation amounted to Rs. 13,250

Building was sold by liquidator

Assuming the payment was made on 31st March 2022 prepare liquidator's final statement of Account.

7. What is financial accounting? Explain the objective and importance of financial accounting. 14
8. What do you mean by subsidiary books? Explain its types with example. 14
9. Define joint stock company. How joint stock company formed and its legal procedure to issue of share. 14
10. Write short notes **any two**. 14
- Double entry system
 - Classification of Revenue and capital Expenditure.
 - Donation in not for profit concern.
 - Creditor's voluntary liquidation.
