

Bachelor of Commerce (B.Com.) Semester-VI Examination

FINANCIAL ACCOUNTING—V

Compulsory Paper—1

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (A) What is Capital profit, Revenue profit and Goodwill ? How it is calculated in case of Holding Company ? 8
- (B) Following are the Balance Sheets of H Ltd. and its subsidiary S Ltd. as on 31st March, 2018 :

Balance Sheets					
Liabilities	H Ltd.	S Ltd.	Assets	H Ltd.	S Ltd.
	Rs.	Rs.		Rs.	Rs.
Share Capital (Rs. 10 each)	2,00,000	1,00,000	Sundry Assets	4,00,000	2,40,000
General Reserve	60,000	60,000	Investment		
Profit & Loss A/c	40,000	20,000	(10,000 Shares in S Ltd. at Cost)	1,10,000	
Sundry Creditors	2,10,000	60,000			
	<u>5,10,000</u>	<u>2,40,000</u>		<u>5,10,000</u>	<u>2,40,000</u>

- (i) All shares were acquired by H Ltd. on 1st October, 2017.
- (ii) There was a balance of Rs. 40,000 in the General Reserve of S Ltd. on 1st April, 2017. S Ltd. transferred Rs. 20,000 to General Reserve from Profit & Loss A/c on 31st March, 2018.
- (iii) There was no balance in Profit & Loss A/c of S Ltd. on 1st April, 2017.

You are required to calculate cost of control and capital profit and also prepare a consolidated Balance Sheet as on 31st March, 2018. 8

OR

- (C) Alpha Ltd. acquired 3,200 shares in Beeta Ltd. on 1st July, 2017. The Balance Sheets of both the companies as on 31st March, 2018 were as under :

Balance Sheet as on 31-3-2018					
Liabilities	Alpha Ltd.	Beeta Ltd.	Assets	Alpha Ltd.	Beeta Ltd.
	Rs.	Rs.		Rs.	Rs.
Share Capital (Rs. 100 each)	10,00,000	4,00,000	Buildings	3,00,000	3,60,000
			Machinery	4,80,000	2,18,800

Liabilities	Alpha Ltd.	Beeta Ltd.	Assets	Alpha Ltd.	Beeta Ltd.
	Rs.	Rs.		Rs.	Rs.
Capital Reserve	—	2,40,000	Shares in Beeta Ltd.	6,80,000	—
General Reserve	4,80,000	—	Stock	2,40,000	72,000
Profit & Loss A/c	1,14,400	72,000	Bills Receivable	31,600	—
Loan from Bank	1,60,000	—	Debtors	88,000	80,000
Bills Payable	—	16,800	Cash	29,000	16,000
Creditors	94,200	18,000			
	<u>18,48,600</u>	<u>7,46,800</u>		<u>18,48,600</u>	<u>7,46,800</u>

The following additional information is supplied to you :

- (i) Creditors of Alpha Ltd. include Rs. 24,000 due to Beeta Ltd.
- (ii) The balance of Profit and Loss A/c of Beeta Ltd. is Rs. 72,000 which represents the profit earned by the company during the year ended on 31-3-2018.
- (iii) Bills payable of Beeta Ltd. include Rs. 8,000 bills accepted for Alpha Ltd. which discounted the bills of Rs. 2,000 out of them.
- (iv) On 31st March, 2018 Buildings of Beeta Ltd. are found undervalued by Rs. 40,000 and Machinery is overvalued by Rs. 20,000.

Prepare a consolidated Balance Sheet of Alpha Ltd. and its subsidiary Beeta Ltd. as on 31st March, 2018. 16

2. (A) Explain in brief the necessity of fire insurance policy and how is value of stock found out when fire occurs ? 8
- (B) Fire occurs in the premises of M/s Patel Trading Company on 10th January, 2017. All stocks were destroyed except the stock of Rs. 18,600. From the following information, ascertain the amount of claim that is to be lodged by the company.

	Rs.
Stock on 1 st April, 2015	1,08,000
Purchases less returns during 2015-16	4,35,000
Sales less returns during 2015-16	6,00,000
Stock on 31 st March, 2016	67,500
Purchases less returns from 1 st April, 2016 to the date of fire	4,38,000
Sales less returns from 1 st April, 2016 to the date of fire	5,67,000

It was practice of the company to value the stock at cost less 10%. Early in April, 2016, prices were raised by 5%. 8

OR

- (C) On 31st July 2018 a fire broke out in the godown of Shri Shinde and the stock as on the date was totally destroyed. From the following particulars extracted from his records for the past three years, you are to prepare a statement of claim to be made with the insurance company.

Particulars	2015	2016	2017	2018
	Rs.	Rs.	Rs.	Upto 31-7 Rs.
Opening Stock	40,500	31,500	27,360	29,304
Purchases	3,46,000	3,65,000	4,08,000	—
Sales	3,96,000	4,20,000	4,56,000	—
Freight	4,360	4,200	4,560	2,300
Salaries	7,500	9,000	11,000	6,000
Carriage Outward	8,000	12,000	10,000	4,000

The sales and purchases in 2017 had occurred uniformly from month to month and Shri Shinde states that same quantum of purchases and sales as in 2017 has been maintained in 2018 upto the date of Fire.

He also states the value stock 10% below cost. 16

3. (A) What do you mean by Investment ? Explain in brief the objectives of Investment. 8
- (B) On 1st July, 2015 Mr. Aloknath purchased 16,000, 6% Preference Shares of Rs. 10 each @ Rs. 12 per share, preference share cum-dividend. Dividend is payable on 1st October and 1st April every year.

These 6% Preference Shares were sold on 30th November, 2015 @ Rs. 11 per 6% Preference Share cum-dividend.

Pass the journal entries in the books of Mr. Aloknath. Mr. Aloknath closes his books on 31st March every year. 8

OR

- (C) On 1st April, 2017 Param Investment held 800, 18% debentures in M Ltd. of Rs. 100 each. These debentures were purchased for Rs. 86,400; interest on debentures is payable on 31st March and 30th Sept. every year.

During 2017-18 following transactions took place :

- (1) On 1st July, 2017 purchased 200 same debentures at Rs. 104 each ex-interest.
- (2) On 1st Nov. 2017 sold 500 of the above debentures for Rs. 48,250 ex-interest.
- (3) On 31st Dec. 2017 sold 400 debentures at Rs. 105 each cum-interest.

Market price of the debentures on 31st March, 2018 was Rs. 110 cum-interest.

Write Investment Account in columnar form for the year ending 31st March, 2018
Debentures are sold on FIFO basis. 16

4. (A) What is pre-incorporation profit or loss ? How it is computed ? 8
- (B) Star Company, was incorporated on 1st July, 2017 to take over the running business of a firm from 1st April, 2017. The company prepared its first Final Accounts on 31st March, 2018. From the following information you are required to calculate the Sales Ratio for pre-incorporation and post-incorporation period.

Sales for April, 2017 to March, 2018 was Rs. 7,20,000. The sales for the month of April, was twice of the average sales, sale for the month of May was equal to the average sales, sales for four months (August to November 2017) was 1/4th of average sales and sales for January and February 2018 was three times of the average sales (every time average monthly sale should be considered). 8

OR

- (C) Maxima Ltd. was incorporated on 1st August, 2018 to take over the business of M/s. Wadia Brothers as a going concern from 1st April, 2018. The Profit and Loss Account of the company for the year ending on 31st March, 2019 :

Profit & Loss Account

Particulars	Rs. (000)	Particulars	Rs. (000)
To Salaries and Allowances	60,000	By Gross Profit	2,00,000
To Rent and Taxes	23,000	By Interest Received	3,000
To General Expenses	7,200		
To Directors' Fees	3,000		
To Selling Expenses	4,000		
To Discount on Sales	1,000		
To Audit Fees	4,500		
To Advertising	3,000		
To Formation Expenses	1,800		
To Stationery	1,500		
To Debenture Interest	1,400		
To Interest to Vendor (Upto 30-9-2018)	6,000		
To Repairs to Building	1,200		
To Depreciation	2,400		
To Bad Debts	1,000		
To Provision for Tax	4,000		
To Net Profit	78,000		
	<u>2,03,000</u>		<u>2,03,000</u>

Further Information :

- (1) Average monthly sales for the first four months during the year was Rs. 60,000; subsequent period was Rs. 70,000.
- (2) Rent was paid at Rs. 1,000 per month upto 1st August, 2018 and thereafter it was paid at Rs. 2,000 per month.
- (3) Audit fees to be allocated on the time basis.

Prepare Profit & Loss Account showing the profit prior to and after incorporation of the company. 16

5. (A) Following are the Balance Sheets of A Ltd. and its subsidiary B Ltd. as on 31st March, 2018 :

Particulars	A Ltd.	B Ltd.
	Rs.	Rs.
Liabilities :		
Share Capital of Rs. 10 each fully paid	15,00,000	6,00,000
General Reserve	3,00,000	1,50,000
Profit & Loss A/c	1,80,000	1,05,000
Creditors	2,40,000	1,80,000
	22,20,000	10,35,000
Assets :		
Fixed Assets	9,00,000	3,00,000
Current Assets	8,32,800	7,17,000
Investment (45,000 Shares in B Ltd.)	4,87,200	—
Underwriter's Commission	—	18,000
	22,20,000	10,35,000

- (1) A Ltd. acquired shares of B Ltd. on 1st October, 2017.
- (2) On 1st April, 2017 General Reserve and Profit & Loss A/c of B Ltd. showed balances of Rs. 1,20,000 and Rs. 65,000 respectively.

You are required to calculate :

- (a) Capital Profits and
- (b) Cost of Control.

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(B) A fire occurred on 1st September, 2017 in the shop of Mr. Desai. From the following information calculate the amount of claim of stock :

	Rs.
Stock on 31 st March, 2017	1,98,000
Purchases from 1 st April, 2017 till the date of fire	1,82,000
Wages paid from 1 st April, 2017 till the date of fire	18,000
Sales from 1 st April, 2017 till the date of fire	2,25,000

Stock at the end of each year is valued at 10% less than cost. Average rate of gross profit is 25% on cost. The stock salvaged was Rs. 20,000. The insurance policy was Rs. 3,00,000.

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(C) On 1st September, 2016, Mr. Robert purchased 4,000 debentures of Rs. 100 each @ Rs. 98 cum-interest from Mr. Thomas. Interest at the rate of 15% per annum is payable on 30th June and 31st December every year.

Pass the journal entries in the books of Mr. Robert to show the interest transferred to Profit & Loss Account as on 31st March, 2017. (The books are closed on 31st March every year).

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(D) New Era Company purchased a running business on 1st April, 2016 from Dewan Co.-New Era Company was incorporated on 1st August 2016. The following information on 31st March, 2017 is as under :

- | | | |
|-----------------------------|-----|----------|
| (1) Total Standing Expenses | Rs. | 36,000 |
| (2) Total Selling Expenses | Rs. | 75,000 |
| (3) Gross Profit | Rs. | 2,50,000 |
| (4) Director Fee | Rs. | 6,000 |
| (5) Preliminary Expenses | Rs. | 3,000 |
- (6) Sales upto 31st July 2016 were Rs. 3,00,000 out of the Sales of Rs. 15,00,000 of the year.

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(मराठी माध्यम)

1. (अ) सूत्रधारी कंपनीच्या बाबतीत पूंजीगत लाभ, आगम स्वरूपाचा लाभ व ख्याती म्हणजे काय ? त्यांचे आगणन कश्या प्रकारे केल्या जाते ? 8
- (ब) इंग्रजी माध्यमानुसार. 8

किंवा

- (क) इंग्रजी माध्यमानुसार. 16
2. (अ) अग्नी विमापत्राची आवश्यकता का आहे ? थोडक्यात स्पष्ट करा आणि आग लगण्याच्या वेळी शिल्लक मालाचे (अर्थात स्कंधाचे) मूल्य कसे ठरवितात ? 8
- (ब) इंग्रजी माध्यमानुसार. 8

किंवा

- (क) इंग्रजी माध्यमानुसार. 16
3. (अ) 'गुंतवणूक' पासून आपणास काय अर्थबोध होतो ? गुंतवणूकीचे उद्देश थोडक्यात स्पष्ट करा. 8
- (ब) इंग्रजी माध्यमानुसार. 8

किंवा

- (क) इंग्रजी माध्यमानुसार. 16
4. (अ) स्थापनापूर्व नफा किंवा तोटा म्हणजे काय ? त्याचे आगणन कसे असतात ? 8
- (ब) इंग्रजी माध्यमानुसार. 8

किंवा

- (क) इंग्रजी माध्यमानुसार. 16
5. (अ), (ब), (क) आणि (ड) इंग्रजी माध्यमानुसार. 4×4=16

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(हिन्दी माध्यम)

1. (अ) पूंजीगत लाभ, आगम स्वरूप का लाभ तथा ख्याति का अर्थ लिखिये। सूत्रधारी कंपनी में इसका आगणन कैसे करते हैं ? 8
- (ब) अंग्रेजी माध्यम के अनुसार। 8

अथवा

- (क) अंग्रेजी माध्यम के अनुसार। 16
2. (अ) अग्नि बीमापत्र की आवश्यकताएं क्या हैं ? संक्षेप में स्पष्ट कीजिये तथा आग लगते समय स्कंध का (आग लगने दिन के शेष माल का) मूल्य निर्धारण कैसे किया जाता है ? 8
- (ब) अंग्रेजी माध्यम के अनुसार। 8

अथवा

- (क) अंग्रेजी माध्यम के अनुसार। 16
3. (अ) 'विनियोग' (Investment) से आप क्या समझते हैं ? विनियोग के उद्देश्य संक्षेप में स्पष्ट कीजिये। 8
- (ब) अंग्रेजी माध्यम के अनुसार। 8

अथवा

- (क) अंग्रेजी माध्यम के अनुसार। 16
4. (अ) अभिस्थापनपूर्व लाभ अथवा हानि क्या है ? वह किस तरह आगणित की जाती है ? 8
- (ब) अंग्रेजी माध्यम के अनुसार। 8

अथवा

- (क) अंग्रेजी माध्यम के अनुसार। 16
5. (अ), (ब), (क) और (ड) अंग्रेजी माध्यम के अनुसार। 4×4=16