

B.Com. Part-I (Semester-II) Examination
COMMERCE
(Financial Accounting)

Time : Three Hours]

[Maximum Marks : 80

Note :— (1) There are **three** Sections (A, B & C).(2) Section-A : **20** marks, Section-B : **20** marks, Section-C : **40** marks.

(3) All questions are compulsory.

(4) Section-B and Section-C comprise of short and long questions respectively one each from respective unit having internal choice from the same unit.

(5) Show necessary working notes wherever necessary.

(6) In Section-A first solved MCQ will be taken into consideration.

SECTION—A

Choose an appropriate option :—

1. Purchase of stationery expenditure is a _____.
 (a) Capital (b) Revenue
 (c) Long term (d) Deferred Revenue
2. In case of non-trading institutions the excess of assets over liabilities is termed as _____.
 (a) Surplus (b) Deficit
 (c) Capital fund (d) Loan
3. Excess of Income over expenditure is termed as _____.
 (a) Deficit (b) Profit
 (c) Loss (d) Surplus
4. For a Sports Club, expenditure on purchases of Sports Machinery expenditure is a _____.
 (a) Revenue (b) Recurring
 (c) General (d) Capital
5. _____ represents the initial contribution made by a member towards the resources of the society for the purpose of getting the benefits from the society.
 (a) Entrance fee (b) Admission fee
 (c) Share Capital (d) Corpus
6. Who is the administrative head of the co-operative movement in every State ?
 (a) The registrar (b) President
 (c) Secretary (d) General Body
7. All cash and non cash transactions are recorded in :
 (a) Cash Book (b) Day Book
 (c) Bank Book (d) Creditors Ledger

8. Maharashtra Co-operative Act, was passed in _____.
- (a) 1947 (b) 1950
(c) 1960 (d) 1972
9. When closing capital is greater than opening capital it denotes _____.
- (a) Profit (b) Loss
(c) No Profit No Loss (d) Assets
10. _____ is an application of the accounting principles to the business of farming.
- (a) Farm Planning (b) Farming Budgeting
(c) Farm Accounting (d) Marketing
11. A farmer, who has land holding between 1 to 2 hectare is known as _____.
- (a) Marginal farmer (b) Small farmer
(c) Optional farmer (d) None of the above
12. Generally in completed records are not maintained by _____.
- (a) Trader (b) Company
(c) Society (d) Farmer
13. Under hire purchase system who has the right of sell ?
- (a) Buyer (b) Hire
(c) Hire vendor (d) Debtor
14. The advance amount under the hire purchase system is called _____.
- (a) Cash payment (b) Retail price
(c) Interest (d) Down payment
15. Under the hire purchase system, interest is calculated on :
- (a) Cash price (b) Outstanding balance
(c) Retail price (d) M.R.P.
16. In the books of Hire, the interest and depreciation account will be transferred to _____.
- (a) Trading Account (b) Profit and Loss Account
(c) Balance Sheet (d) P & L Appropriation A/c
17. Salary due is included preferential creditors in case of Provincial Insolvency Act :
- (a) Rs. 300 per head (b) Rs. 100 per head
(c) Rs. 20 per head (d) Rs. 400 per head
18. Drawing of the insolvent person are shown :
- (a) Statement of affairs (b) Deficiency account
(c) Deduction from capital (d) Deduction from profit

19. Fixed Assets of the insolvent person are shown :

- (a) List A (b) List D
(c) List E (d) List H

20. The statement of affairs shows the assets of :

- (a) Book values only
(b) Realisable value only
(c) Book values as well as realisable value
(d) MRP values only

1×20=20

SECTION—B

1. Prepare “Receipt and Payment A/c from the following information as on 31st March 2017” :

	Rs.	
Cash in hand (1st April 2017)	30,000	
Entrance fees	6,000	
Annual subscription	24,000	
Govt. Grant	15,000	
Salary	9,000	
Rate and Taxes	3,000	
Printing	4,500	
Purchase furniture	28,500	
Outstanding wages	6,000	
Investment	20,000	4

OR

Prepare “Income and Expenditure A/c” of Sheetal Social Club from the following information as on 31st March 2015 :

Receipts	Rs.
Subscription	42,600
Sales of Drama Tickets	19,500
Payments	
Salary	18,000
Drama Expenses	15,000
Newspapers	1,200
Municipal Taxes	4,600
Electric charges	2,000
Purchase of fan	6,000
Purchase of furniture	10,000
Stationery	5,000
Repairs	300

Additional Information :

- (1) Prepaid Municipal Taxes Rs. 600
(2) Unpaid salary Rs. 1,200.

4

2. Prepare “Production Account” of a NEHA Co. of factory from the following information as on 31st March 2010 :

	Rs.	
Opening Stock (Raw Material)	90,000	
Opening Stock (Finished Goods)	40,000	
Raw Material Purchase	2,50,000	
Wages paid	30,000	
Sale of Finished Goods	3,90,000	
Closing Stock :		
Raw material	60,000	
Finished goods	1,00,000	
Purchase return	8,000	
Sales return	4,000	
Manufacturing Exp.	22,000	4

OR

Prepare ‘Profit & Loss Appropriation Account of a co-operative society’ :

	Rs.	
Current year’s profit	4,00,000	
Development fund provision	1,80,000	
Previous year’s profit	1,00,000	
Make provision for Statutory Reserve Fund and dividend @ 9% p.a. The paid up capital of the society is Rs. 7,00,000.		4

3. From the following figures prepare “Dairy Account” for the year ending 31st March 2018 :

Items	Stock on 31st March 2017 Rs.	Stock on 31st March 2018 Rs.
Cattle	1,40,000	2,00,000
Cattle foods	19,000	10,000
Purchase :		
Cattle	78,000	
Cattle food	25,000	
Sales :		
Milk	19,000	
Cattle	70,000	
Proprietor Drawing	5,500	
Wages on Dairy Exp.	25,000	
Milk as wages	3,000	4

OR

From the following Balance prepare 'General Profit & Loss A/c' of Mr. Shiraj year ending 31st March 2017 :—

		Rs.
Profit as on (31-3-2016)		45,000
Profit as on (31-3-2017) :		
Crop	1,44,300	
Livestock	<u>90,500</u>	2,34,800
Mortgage Interest		12,000
Bank Interest		40,000
Director Fees		20,000
Rent & Taxes		8,200
Depreciation		10,000
General Expenses		17,800

4. A Mamta Co. Ltd. purchased the machine on 1st January 2012, on the hire purchase system. The cash price of the machine is Rs. 29,800. The terms of payment were Rs. 8,000 by cash, half yearly instalment over two years, the first instalment to be paid on 30th June 2012, the rate of interest payable was 6 % p.a. A Mamta Co. Ltd. closed its books on 30th June every year and has decided to write off depreciation on the machine at the rate of 10% p.a. on the Written Down Values.

Prepare 'Machine Account' in the Books of Mamta Co. Ltd. 4

OR

Continuing as per above illustration prepare 'Vendors Account' in the Books of Mamta Co. Ltd. 4

5. Mr. Gawande filed his insolvency petition; his Assets were as follows :

Assets	Book Value	Estimated to Produce
	Rs.	Rs.
Cash in hand	10,000	10,000
Machinery	80,000	50,000
Furniture	40,000	20,000
Stock	35,000	50,000
Bills Receivable	10,000	8,000
Book debt		
Good	10,000	10,000
Doubtful	1,00,000	50,000
(estimated to Realise 50%)		
Bad	10,000	—

Show the above assets in the proper lists of statement of affairs of Mr. Gawande. 4

OR

Prepare 'Deficiency Account' from the information given below :

	Rs.	
Excess of liabilities over the Assets	72,000	
Drawing	15,000	
Private Assets	40,500	
Loss on realisation of Assets	31,500	
Deficiency (as per list H)	82,200	
Bills discounted likely to be dishonoured	4,200	4

SECTION—C

1. Dr. Harish commenced practice on 1st January 2017. He has prepared the following Receipts and Payments Accounts for the year 2017 :

**Dr. Harish's
Receipts & Payment Account as on 31st Dec. 2017**

Receipts	Rs.	Payment	Rs.
To cash introduced	80,000	By Furniture	60,000
To Income from visit fees	16,000	By Equipments	20,000
To Receipts from Dispensary	52,200	By Drugs Purchase	12,000
		By Salary	4,000
		By Rent	1,600
		By Stationery	1,200
		By Electricity	900
		By Medical Books	19,000
		By Investment	20,000
		By Balance	9,500
	1,48,200		1,48,200

Adjustment :—

- (1) Salary Rs. 2,000 is outstanding.
- (2) Depreciate furniture by 10% and Equipments by 20% p.a.

Prepare 'Income & Expenditure Account' and 'Balance Sheet' for the year ended 31st Dec. 2017. 8

OR

Show the difference between Receipts & Payments Account and Income and Expenditure Account. 8

2. From the following particulars of Sunanda Co-op. Society prepare 'Trading A/c, Profit & Loss Account for the year ended 30th June 2017 and 'Balance Sheet' as on that date :

	Dr. Rs.	Cr. Rs.
Share Capital	—	1,60,000
Purchase & Sales	90,000	1,80,000
Interest	30,000	20,000
Debtors, Creditors	40,000	16,000
Reserve Funds	—	60,000
Loan to member	80,000	—
Building	50,000	—
Furniture	30,000	—
Salary PF contribution	25,000	—
Cash in hand	21,000	—
Investment	40,000	—
Staff provident fund	—	9,000
Prepaid Insurance	2,000	—
Printing	6,000	—
Rent taxes	12,000	—
Opening Stock	12,000	—
Factory Expenses	7,000	—
	4,45,000	4,45,000

Adjustment :—

- (1) Closing stock Rs. 50,000
- (2) Provide for Dividend @ 9%
- (3) Make provision for Statutory Reserve as per Act.

8

OR

The under mentioned Balances appeared in the books of a Chitra Co-op. Society Ltd. as on 31st March 2016 :

	Rs.	Rs.
Share Capital	—	6,00,000
60000 shares of Rs. 10 each		
General Reserve	—	2,50,000
Bills payable	—	6,526
Creditors	—	36,858
Building	1,00,000	—
Purchase	5,00,903	—

	Rs.	Rs.
Sales	—	9,83,947
Manufacturing Exp.	3,59,000	—
Establishment Exp.	26,814	—
General charges	31,078	—
Machinery	2,00,000	—
Motor	15,000	—
Furniture	5,000	—
Stock	1,72,058	—
Debtors	1,59,380	—
Investment	2,88,950	—
Cash in hand	65,240	—
Directors	1,800	—
Dividend to shareholder	15,000	—
Interest (Cr.)	—	8,544
Profit & Loss A/c (31 March 2015)	—	16,848
Staff Provident Fund	—	37,500
	<u>19,40,223</u>	<u>19,40,223</u>

Adjustment :—

- (1) The stock on 31st March 2016 were valued at Rs. 1,48,680.
- (2) Provided Rs. 10,000 depreciation of Building.
- (3) Rs. 8,000 for the society contribution to the Staff Provident Fund.
- (4) Interest accrued on Investment amounted to Rs. 2,750.

Prepare 'Trading A/c', Profit & Loss A/c, Profit & Loss Appropriation A/c and 'Balance Sheet' as on 31st March 2016. 8

3. Prepare a 'Cattle Account' from the following information which is provided by farmer Mohan for the year ending 31st March 2017 :

Opening stock of livestock		Rs.
Cows	35	1,25,000
Buffalos	10	60,000
Purchase of cattle		
Cows	50	2,00,000
Buffalos	18	1,50,000
Cows have died 8 Buffalo died due to illness.		
Sale of cattle		
Cow	55	3,00,000
Buffalo	20	2,50,000

Cattle food expenses		35,000	
Wages		12,000	
Closing stock of livestock			
Cow	25	95,000	
Buffalo	07	50,000	8

OR

A farmer Govindrao provided information of his farming activities for ending 31st March, 2017. Prepare 'Final Account of farm' from the following information :

Trial Balance
31st March 2017

Particulars	Dr. Rs.	Particulars	Cr. Rs.
Opening Stock :		Sale	
Grain	12,500	Pulses	7,000
Pulses	2,000	Onions	8,000
Onions	1,500	Grains	16,000
Purchase		Capital	70,000
Seeds	1,200	Creditors	20,000
Fertilizer	2,500	Bank loan	56,700
Expenses			
Wages	1,000		
Electric	1,000		
Interest	1,300		
Stationery	200		
Tractor			
Cutter Machine			
Cash in hand			
	1,77,700		1,77,700

Additional Information :—

(1) **Closing Stock** on 31st March 2017

Pulses Rs. 8,000

Onions Rs. 4,300

(2) Depreciation 5% on tractor and 10% on cutter machine.

(3) Farmer drawing as following items during the last year :

Pulses Rs. 2,000, Onion Rs. 500, Grain Rs. 1,500.

8

4. On 1st January 2009 the Ubhale Co. Ltd. Purchase the machine from HMT Co. Ltd. on Hire Purchase system the cost price of the machine was Rs. 75,000. Ubhale Co. Ltd. paid Rs. 10,000 on signing of the agreement and agreed to pay balance in 5 installments of

Rs. 15,000 each payable annually on 31st Dec. HMT Co. Ltd. charged 5% interest p.a. on yearly balance Ubhale Co. Ltd. decided to provide depreciation of 10% p.a. Reducing Balance method all payments through the Bank Prepare :

- (1) 'Machine A/c'
- (2) 'HMT Co. Ltd. A/c'

In the books of Ubhale Co. Ltd.

8

OR

M/s Jagtap provision supplied Refrigerator to Ingale Hotel on instalment system on 1st July 2012 the cash price of it was Rs. 22,350 under instalments system it was agreed to pay Rs. 6,000 on that date Rs. 6,000 annually for three years interest was chargeable of 5% per annual and depreciation was to be written of the asset of 10% p.a.

Show the ledger account in the Books of Ingale Hotel :

- (1) 'Refrigerator Account'
- (2) 'M/s Jagtap Provision Account'.

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5. Shri Sanjay Ganjare commenced his Business on 1st April 2010 with a capital Rs. 91,000 profit for the year 2010-11 were Rs. 40,000 and 2011-12 Rs. 20,000 and there was loss Rs. 18,000 in 2012-13 his total Drawing amounted to Rs. 1,00,000.

Prepare 'Statement of affairs' and 'Deficiency Account' as on 31st March 2013 from the following figures :

Cash Rs. 3,000 Stock in trade Rs. 10,000

Debtors, Good Rs. 80,000 Doubtful Rs. 20,000 bad Rs. 15,000, Furniture Rs. 6,000 Investment in share Rs. 6,000.

Unsecured Creditors Rs. 1,10,000

Secured Creditors Rs. 30,000

(Value of security Rs. 35,000)

Preferential creditors Rs. 2,000

Stock in trade realised of Rs. 5,000, Furniture Rs. 4,000 and doubtful debts Rs. 5,000 investment in share realise in full.

8

OR

The Assets of Shri Sunil Borchate from Washim on 31st Dec. 2016 was 92,000 and Liabilities was 68,000 he filed his insolvency petition and estimated his deficiency to be Rs. 48,000. After that it is found that the following items were not recorded in his books :

- (1) Interest 8% on his capital from 1st January, 2016.
- (2) Contingent Liability for Rs. 5,480 on bill discounted by his for Rs. 20,000.
- (3) Unpaid Expenditure Wages Rs. 500, Salary Rs. 1,500, Taxes Rs. 520 for no provision was made all these payments are preferential.

Prepare 'Statement of Affairs' and 'Deficiency Account' of Shri Sunil Borchate.

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