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FIRST YEAR B.Com.
24COB11102 : Fundamentals of Financial Accounting
(Semester I)

Program : B.Com.
Program Specific : B.Com.
Course Type :
Paper : Fundamentals of Financial Accounting

Credits : 4
Time : 3 Hours
Max. Marks : 60
SET : A

Instructions to the candidate:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of Calculator is allowed.

Q1) Fill in the Blanks :

[5 X 1 Mark each = 05]

- a) Price paid by a limited company for acquiring the business of a partnership firm is known as (Market Price, Cost Price, Purchase Consideration)
- b) Revaluation account is account. (Real, Nominal, Personal)
- c) Loss on Realization Account is transferred to Partner's Capital Accounts in (Profit Sharing Ratio, Capital Ratio, Gain Ratio)
- d) According to Concept, business enterprise is treated as a separate entity from its owner. (Going Concern, Matching, Business Entity)
- e) Under single entry system is prepared to find out the value of Credit Purchases. (Sundry Debtors A/c, Sundry Creditors A/c, Statement of Affairs)

Q2) Write Short Notes on ANY TWO of the following :

[2 X 5 Marks each = 10]

- a) Accrual Concept and Dual Aspect Concept
- b) Forensic Accounting
- c) Creative Accounting
- d) Objectives of Amalgamation

Q3) Single entry system :

[15]

Virat maintained his account on Single Entry System.

Following information was available from his Cash book for the year 2023-24

Particulars	Amount
Sales	2,400
Received from Debtors	4,900
Bills Receivable	8,600
Miscellaneous Income	60

Investment Purchased	2,000
Drawings	3,000
Salary	1,600
Wages	1,800
General Expenses	1,400
Purchases	1,200
Paid to creditors	2,848
Bills Payable	6,000

His balances for the year ended 31 March 2023 and 31 March 2024 were as follows.

Particulars	31-Mar-23	31-Mar-24
Bill Receivable	8,000	4,800
Stock	15,800	17,600
Creditors	18,800	16,700
Cash	7,816	3,924
Bills Payable	6,944	10,100
Debtors	18,720	16,712
Furniture	4,000	4,000

You further could get following information for the year 2023-24

Particulars	Amount
Discount Allowed	800
Discount Received	712
Bills Payable issued	9,160
Bills Receivable received	6,000
Bad debts written off	1,120
Bills receivable dishonored	600

Prepare Trading & Profit & Loss Account for year ended 31 March 2024 and Balance Sheet as on that date.

Q4) Amalgamation of Partnership firms :**[15]**

A & B were partners sharing profits and losses in the ratio 3 : 1 and C & D were partners sharing profits and losses equally. Following were their Balance Sheets as on 31 March, 2024.

Balance Sheet as on 31 March 2024

Liabilities	A & B	C & D	Assets	A & B	C & D
Capital...			Land	40,000	10,000
A's Capital	50,000	-	Machinery	50,000	35,000
B's Capital	50,000	-	Furniture	6,000	10,000
C's Capital	-	27,000	Stock	15,000	9,000
D's Capital	-	27,000	Loose Tools	10,000	7,000
Sundry Creditors	60,000	30,000	Debtors	30,000	25,000
Bills Payable	20,000	16,000	Bills Receivable	25,000	1,000
			Bank Balance	4,000	3,000
	1,80,000	1,00,000		1,80,000	1,00,000

The two firms amalgamated on the following terms...

- Land of A & B was appreciated by 20 %.
- Machinery of both the firms were to be depreciated by 10 %.
- Furniture of both the firms were taken at 5% depreciation.
- Loose Tools of A & B were revalued at Rs. 8,000 and that of C & D at Rs. 10,000.
- 5% Reserve for bad and doubtful debts was necessary for Debtors of both the firms.
- Creditors of both firms were taken by the new new firm at a discount of 2%.

Prepare necessary ledger accounts in the books of Partnership Firms and also prepare Balance Sheet of new firm as on 1st April, 2024.

Q5) Conversion of Partnership firm in to limited company**[15]**

Asha, Beena and Chanda were in partnership sharing profits and losses in the ratio 3 : 2 : 1. Their Balance Sheet as on 31st December, 2023 was as follows :

Liabilities	Amount	Assets	Amount
Capital :		Building	80,000
Asha	1,00,000	Machinery	60,000
Beena	60,000	Furniture	20,000
Chanda	40,000	Debtors	88,000
Reserve Fund	72,000	Stock	52,000
Creditors	40,000	Cash	32,000
Bills Payable	20,000		
	3,32,000		3,32,000

- i. The partners agreed to sell their business to Deepa Company Limited. The Company took following assets at values stated below :

Building	Rs.	96,000	Machinery	Rs.	52,000
Debtors	Rs.	80,000	Stock	Rs.	40,000
Furniture	Rs.	24,000	Goodwill	Rs.	64,000

- ii. The Company also agreed to pay Bills Payable at book value.
- iii. Deepa Company Ltd. paid Rs. 96,000 in cash and balance in fully paid Equity Shares of Rs. 100 each.
- iv. Creditors were paid off at a discount of 2.5%.
- v. Realization expenses amounted to Rs. 9,000.
