Program:	S.Y.B.Com (A & F)	**Semester:** III	**Program Code:** UGAF03
Course:	Financial Accounting-III		**Course Code:** NUAF301

Duration: 2 Hour **Examination Pattern:** NEP-Autonomous- External **Max. Marks:** 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. I		Attempt the following.					[15]	CO's	KL's
	(a)	**Fill in the blanks with an appropriate answer from the alternatives given.**					(08)		
		I	A and B share profits equally. C is admitted for 1/4 share. C's share in profit is_____.					CO1	
			a.	10%	b.	20%		CO2	L3
			c.	25%	d.	50%		CO3	
		II	Goodwill is ₹1,00,000. C is admitted for 1/5 share. Amount of goodwill brought by C is_____.					CO4	
			a.	₹10,000	b.	₹15,000			
			c.	₹20,000	d.	₹25,000			
		III	An asset valued at ₹80,000 is reduced to ₹70,000. Revaluation loss is_____.						
			a.	₹5,000	b.	₹8,000			
			c.	₹10,000	d.	₹15,000			
		IV	A new partner brings ₹1,00,000 capital. He is entitled to 1/4 share. Total capital of the firm based on his share is_____.						
			a.	₹2,00,000	b.	₹3,00,000			
			c.	4,00,000	d.	₹5,00,000			
		V	A company takes over assets of ₹5,00,000 and liabilities of ₹1,00,000. Purchase consideration based on net assets is_____.						
			a.	₹3,00,000	b.	₹5,00,000			
			c.	₹4,00,000	d.	₹6,00,000			

		VI	Net assets are ₹3,00,000 and goodwill is ₹40,000. What is the purchase consideration?							
			a.	₹2,60,000	b.	₹3,00,000				
			c.	₹3,40,000	d.	₹4,00,000				
		VII	Purchase consideration is ₹9,00,000. It is paid by issuing 90,000 shares. Face value per share is_____.							
			a.	₹5	b.	₹8				
			c.	₹10	d.	₹15				
		VIII	Purchase consideration is ₹4,00,000. Two partners share profits in the ratio 3:1. If the consideration is distributed in this ratio, Partner A receives_____.							
			a.	₹1,00,000	b.	₹2,00,000				
			c.	₹3,00,000	d.	₹3,50,000				
	(b)	**State whether the following statements are true or false.**						(07)		
		I	Admission of a new partner results in a change in the existing profit-sharing ratio.						CO1	L1
		II	Revaluation of assets and liabilities may be carried out at the time of admission.						CO2	
		III	Piecemeal distribution refers to the gradual distribution of cash to partners as assets are realized						CO3	
		IV	Cash received from the realization of assets may be distributed in instalments.						CO4	
		V	Purchase consideration is the amount payable by the purchasing business for taking over the firm.							
		VI	Profit or loss on realization is transferred to the partners' capital accounts in their profit-sharing ratio.							
		VII	Amalgamation of firms means the combination of two or more partnership firms into one business							
Q. 2		**Attempt any ONE of the following.**						[15]	CO's	KL's
	(a)	The following is the Trial Balance of firm as on 31st December, 2013:							CO1	L6

Particulars	₹	Particulars	₹
Drawings: A	15,000	Capitals: A	24,000

		B	7,500	B	12,000			
		C	1,500	C (including goodwill)	5,000			
		Furniture	10,500	Sales	1,80,000			
		Purchases	1,10,000	Creditors	13,500			
		Stock	25,000					
		General Expenses	5,200					
		Salary	12,000					
		Rent & Taxes	5,900					
		Debtors	31,000					
		Bank	10,900					
		Total	**2,34,500**	**Total**	**2,34,500**			

Adjustments:

1. A and B were partners sharing profits and losses equally.
2. Mr. C was admitted to partnership on 1st July, 2013.
3. On 31st December, 2013 stock was valued at ₹ 23,500.
4. Rent and Taxes paid in advance ₹ 900.
5. General Expenses were outstanding ₹ 800.
6. Charge depreciation on Furniture @ 10% p.a.
7. Share of Goodwill of new partner was valued at ₹ 1,000 on 1st July, 2013 and yet to be adjusted. You are required to prepare Trading, Profit and Loss Account for the year ended on 31st December 2013 and Balance Sheet as on that date.

OR

(b) Following is the Balance Sheet of two firms as at 31st March, 2014:

Liabilities

Particulars	**Prem & Co. ₹**	**Raj & Co. ₹**
Capital: Prem	11,500	-
Anil	11,500	-
Raj	-	18,000
Shyam	-	12,000
General Reserve	-	3,000
Creditors	5,000	4,000
Bills Payable	5,000	3,000
Total	**33,000**	**40,000**

Assets

Particulars	**Prem & Co. ₹**	**Raj & Co. ₹**
Premises	-	5,000
Computers	10,000	-
Furniture	5,000	7,000

CO3 **L6**

		Inventory	9,000	8,000		
		Debtors	6,000	14,000		
		Bank	2,000	4,000		
		Cash	1,000	2,000		
		Total	**33,000**	**40,000**		

It was mutually agreed to amalgamate the business from 1st April, 2014.
Terms of amalgamation were as follows:
(a) Premises was valued at ₹ 10,000 and computers at ₹ 12,000.
(b) Furniture was not taken over by new firm.
(c) A reserve of 5% is to be created on debtors.
(d) Goodwill was valued as: M/s. Prem & Co. at ₹ 10,000 and that of M/s. Raj & Co. at ₹ 15,000.
(e) The new firm also assumed other Assets and Liabilities of old firm at book value. Show necessary accounts in the books of old firms.

Q. 3		**Attempt any ONE of the following.**	[15]	CO's	KL's
	(a)	Pandit, Sharma and Karma are partners sharing profits and losses in the ratio 4 : 2 : 1. They decided to dissolve the partnership as on 31st March, 2017 when their Balance Sheet was as under :		CO2	L6

Balance Sheet as on 31st March, 2017

Liabilities	₹	**Assets**	₹
Partners' Capital :		Land and Building	1,00,000
- Pandit	2,00,000	Machinery	3,00,000
- Sharma	1,20,000	Debtors	90,000
- Karma	40,000	Stock	69,000
10% Loan (Unsecured)	80,000	Cash and Bank	1,000
Bills Payable	60,000		
Creditors	60,000		
	5,60,000		5,60,000

₹ 1,600 has to be provided for realisation expenses. Thereafter all cash received should be distributed among the partners. The amount were realised as follows :

- 1st Realisation : ₹ 1,20,600
- 2nd Realisation : ₹ 1,00,000
- 3rd Realisation : ₹ 1,58,000
- 4th Realisation : ₹ 55,400

The actual realisation expenses were ₹ 1,000. Prepare a statement showing piecemeal distribution of cash as per Excess Capital Method.

OR

	(b)	P, Q and R are partners of M/s Piku Stationeries, sharing Profits and Losses in the ratio of 1 : 1 : 2. On 30th June, 2017, they decided to dissolve their firm when their balance sheet was as under :		CO2	L6

Liabilities	₹	Assets	₹
Capital :		Goodwill	1,20,000
- P	2,40,000	Building	2,40,000
- Q	1,60,000	Plant	2,68,000
- R	3,00,000	Stock	1,23,000
General Reserve	80,000	Debtors	1,80,000
Loan from Q	40,000	Bills Receivable	37,000
Sundry Creditors	1,60,000	Bank	12,000
	9,80,000		**9,80,000**

The realisation and expenses of realisation were as stated below :

Date	Realisation	Expenses
31st July	1,10,000	2,000
31st August	3,40,000	10,000
30th September	3,50,000	5,000
31st October	1,62,000	3,000

You are required to prepare statement to show the piecemeal distribution of cash available under Highest Relative Capital Method

Q. 4		**Attempt any ONE of the following.**	[15]	CO's	KL's
	(a)	A, B and C carry on business in partnership sharing profits and losses in the proportions of 1/2, 3/8 and 1/8 respectively. On 31st March, 2012, they agreed to sell their business to a limited company. Their position on that date was as follows:		CO4	L6

Liabilities	₹	Assets	₹
A's Capital	40,000	Machinery	48,000
B's Capital	30,000	Furniture	42,000
C's Capital	26,000	Stock	23,000
Loan on Mortgage	16,000	Book Debts	15,000
Sundry Creditors	18,000	Cash	2,000
Total	**1,30,000**	**Total**	**1,30,000**

The company took the following assets at the valuation shown below:Machinery — ₹ 61,000
Furniture — ₹ 31,800
Stock — ₹ 22,000
Book Debts — ₹ 14,000
Goodwill — ₹ 10,000

		The company also agreed to pay the creditors which was agreed at ₹ 17,700. The company paid ₹ 67,000 in fully paid shares of ₹ 10 each and the balance in cash. The expenses amounted to ₹ 1,500. Prepare ledger accounts in the books of the firm.			
		OR			
	(b)	**Short notes (any 3) (5 Marks each)** 1. Piecemeal Distribution of cash 2. Partnership Deed & its Contents 3. Disadvantages of Amalgamation 4. Purchase consideration 5. Revaluation of Assets and Liabilities		**CO1** **CO2** **CO3** **CO4**	**L4**

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