

**C.U.SHAH UNIVERSITY**

Wadhwan City

Summer Examination-2014

Date: 6/06/2014

Subject Code : 4C002ACC3

Subject Name:- Accountancy -II

Branch/Semester:-B.Com(Eng)/II

Examination: Regular

Time:02:00 To 5:00

**Instructions:-**

- (1) Attempt all Questions of both sections in same answer book / Supplementary
- (2) Use of Programmable calculator & any other electronic instrument is prohibited.
- (3) Instructions written on main answer Book are strictly to be obeyed.
- (4) Draw neat diagrams & figures (If necessary) at right places
- (5) Assume suitable & Perfect data if needed

**SECTION-I****Q – 1 Answer the Following**

- a. Explain in brief the meaning of consignment 2
- b. Explain in brief the meaning of joint venture 2
- c. Name any three accounts prepared in joint venture in a method separate books are prepared 3

**Q – 2 Answer the Following**

- a. State characteristics of consignment 5
- b. State any five points of difference between joint venture & partnership 5
- c. Explain any two methods to calculate purchase consideration 4

**OR****Q – 2 Answer the Following**

- a. State any five points of difference between consignment & sale 5
- b. State characteristics of joint venture 5
- c. Explain Goodwill & Capital reserve 4

**Q – 3 Do as Directed**

- a. A of Ahmedabad sends 40 cupboards to B of Mumbai @4000 per cupboard to sell on consignment basis. As per terms of consignment consignee is to be paid 5% commission on sale. B accepts Bill of 90000 for 3 months drawn by A as an advance. A discounts it @12 %p.a. At the time of sending cupboards A pays 7000 for freight and 4000 for wages. B also pays 10000 for wages. 35 cupboard were sold @ 6000 per cupboard & 5 cupboards were sold @ 5500 per cupboard Accounts were settled. Pass necessary Journal Entries in the books of A 7
- b. A, B and C Joins into Joint Venture. A has given goods of 5000 into Joint Venture. B and C give cash of 6000 & 8000 to A towards advance of Joint Venture. A purchase goods of 10000 @ 5% trade discount for joint venture. He pays expenses for the same 1000. A sales goods of joint venture of 5000 on credit & 20000 in cash. A receives 4800 toward credit sales. A is managing the business. A deducts 300 towards commission and settles the account with remaining partners. Prepare joint venture account and B's and C's account in the books of A. 7



OR

Q – 3 Below is the Balance Sheet of X Brothers as on 31/03/2010

Liabilities	Amount	Asset	Amount
Capital		Patent	3000
A 50000		Goodwill	7000
B 30000	80000		
General Reserve	4000	Machinery	56000
Creditors	10000	Motor	15000
Bank Loan	12000	Stock	10000
Bills Payable	8000	Cash	10000
		Prepaid Expense	5000
		Advertisement Suspense Acc.	8000
	114000		114000

On 1/4/2010 above business is purchased by B Limited

1. Purchase consideration was agreed at 80000
  2. Towards purchase consideration 5000 equity shares 10 each issued @ 15 per share to X Bros.
  3. Company is not taking motor car and bills payable
  4. Machinery is valued @ 50000 while patent have no value
  5. Company issued remaining 5000 shares @ a premium of 5 to general public
- (a) From above example pass the journal entries in the books of B Ltd.  
(b) From above example prepare Balance Sheet in the books of B Ltd.

SECTION-II

Q – 4 Do as Directed

- a. Name A/c Standards 6, 7 & 8
- b. Name A/c Standards 9 & 10
- c. If net asset is 500000 and consideration is 400000. Is it goodwill or capital reserve? How much?

Q – 5

- a. Write a Brief Note on Accounting Standard 6
- b. One machine is purchased for 50000. Installation charges 10000, scrap at the end of useful life of 5 years is 5000. Calculate depreciation by straight line method. If estimated useful life is 10000 Hours and machine worked for 2000 Hours during the year. Calculate the depreciation by machine hour method
- c. Write a detail note on Accounting with the help of accounting software

OR

Q – 5

- a. Write a Brief Note on Accounting Standard 10
- b. Write a note on Tally as a Accounting Software
- c. Below is the list of asset and liabilities. Calculate consideration by net asset method



Land 10000, Building 50000, Machinery 60000, Creditors 20000  
Bills Payable 10000

Q – 6 A and B are partners sharing profits and losses equally on 01/04/2010 they decided to sell their firm to C company. Below is the balance sheet

Liabilities	Amount	Asset	Amount
Capital		Building	21000
A 20000			
B 15000	35000		
Creditors	25000	Machinery	12000
Depreciation fund on building	3000	Debtors	15000
		Stock	13000
		Cash	2000
	63000		63000

C company purchase assets at below valuation

1. Building 22000, Machinery 11000, Debtors 14000, Stock 12000, Goodwill 4000
  2. C Company has given 20000 equity shares of 10 each against the consideration and balance amount in cash.
  3. Shares were distributed equally among A and B and balance amount in cash
- a. Prepare Realization Account from above Balance Sheet in the books of firm. 7
- b. Prepare Cash and Partners Capital Account from above Balance Sheet in the books of firm. 7

OR

Q – 6 A, B and C are partners sharing profits and losses in the ratio of  $\frac{1}{2}$ ,  $\frac{3}{8}$  and  $\frac{1}{8}$ . On 31/03/2010 they decided that to sell their business to B limited. Below is the balance sheet as on date

Liabilities	Amount	Asset	Amount
Capital		Free Hold Asset	18000
A 20000			
B 10500			
C 9500	40000		
Creditors	20000	Investment	14000
Investment Fluctuation Fund	2000	Debtors	15000
General Reserve	8000	Stock	13000
		Cash	10000
	70000		70000

B limited has purchased whole business including cash. Towards purchase consideration 4000 fully paid share of 10 each given @ 12 each, Debenture of 10000 and cash 3000 to partnership firm. Desolation expenses amounted to 1000.

There is no agreement between partners as regards distribution of shares and debentures received from B Company distribute it on proper bases



- a. Prepare Realization Account & B Limited Account from above Balance Sheet in the books of firm. 7
- b. Prepare Cash and Partners Capital Account from above Balance Sheet in the books of firm. 7

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