

Enrollment No: _____

Exam Seat No: _____

C.U.SHAH UNIVERSITY

Summer Examination-2017

Subject Name : Compulsory Accountancy – II

Subject Code : 4C002CAC2 Branch : B.COM

Semester : II _____ Marks : 70

Instructions:

- (1) Use of programmable calculator & any other electronic instrument is prohibited.
- (2) Instruction written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

Question-1 (Compulsory)

Q-1

[14]

1. Purchase Price - Net Assets = _____
2. If Capatil Reserve is 20,000 and net assets are Rs. 1,70,000 find out purchase price.
3. To which account assets and liabilities are transferred at the time of conversion ?
4. Preliminary expenses are _____ asset.
5. In which ratio, the debentures received from purchaser company, are shared by partners.
6. “ In piecemeal distribution of cash partners are paid first” _____ True or False.
7. At the time of dissolution of firm _____ expense is paid first out of the realisation amount.
8. The organization with “No Profit” motive is called _____ organisation.
9. Income & Expenditure account is similar to _____ account.
10. Opening and closing cash balance is written in _____ account.
11. Purchase of sports equipments is a _____ expense.
12. Income of subscription is a _____ Income.
13. Give one example of non – profit organisation.
14. In piecemeal distribution of cash according to surplus capital method, final deficit will be in the ratio of _____

ATTEMPT ANY 4 Questions FROM Q-2 TO Q-8

Q-2

[10]

(A) A Ltd is incorporated to purchase business of messers ML & bros. The B/Sheet of the firm was as under. :-

Liabilities		Rs.	Assets		Rs.
Capital	M	15,000	Building		20,000
	L	15,000	Machinery		10,000
General Reserve		3,000	Furniture		4,000
Creditors		50,000	Debtors	52,500	
Bills Payable		7,000	B.D.R.	<u>2,500</u>	50,000
			Stock		5,000
			Cash		1,000
		90,000			<u>90,000</u>

Company has not purchased Furniture Cash and bills payable Value of Building 25% more, Machinery 10% less debtors 20% less and stock 20% more to be considered.

5000 equity shares of Rs. 10 each at a premium of 10% to be given as purchase consideration.

Write journal entries in the books of A Ltd and prepare opening balance sheet of A Ltd.

(B) **Write note on :-** Net Assets Method [04]

Q.3

[10]

(A) P – Q and R are partners sharing profit and loss 1/2 : 1/4 : 1/4 respectively they dissolved the firm Their balance sheet was as under. :-

Liabilities		Rs.	Assets		Rs.
Capital			Assets		53,000
	P 10,000				
	Q 10,000				
	R 8,000	28,000			
Creditors		25,000			
		53,000			53,000

Assets realised as under :-

1st Instalment Rs. 25,000, 2nd Instalment Rs. 16,000, 3rd Instalment Rs. 4,000

Show the distribution of cash among partners as per maximum loss method.

(B) **Write Note :-** Surplus Cash Method. [04]

Q.4

(A) [05]

Calculate income of subscription for 2016 :-

Subscription recd during the year	Rs. 24,000
Subscription recd for 2015	Rs. 1,000
Subscription recd for 2017	Rs. 2,000
Recd advance in 2015	Rs. 3,000
Out Standing for 2016	Rs. 1,200

(B) **Write Diffarance :-** Capital Expenditure and revenue expenditure [09]

Q.5 [10]

(A) **Prepare Receipts & Payments on (31.12.2016) accounts from following details :-**

opening balance – 1540 purchase of furniture 3,000, salary paid – 2800 Rent paid 1950 Post & Telegram – 780, Purchase of building Rs. 20,000 purchase of Investments – 4,000 Subscziption :- 2015 – 1500, 2016 – 18,000, 2017 – 2000 sale of sports equipments 3350 donation recd 5000 interest recd 3000 depreciation on building Rs. 1,000 outstanding salary Rs. 200

(B) Give 4 Examples of capital Expenditure [04]

Q.6 [10]

(A) Find out Goodwill / Capital reserve form the following details :-

	Book Value	Market Value
Cash	8,000	8,000
Land & Building	1,00,000	1,25,000
Machinery	4,00,000	2,70,000
Furniture	70,000	70,000
Debtors	55,000	50,000
Creditors	35,000	35,000
Bank O/d	20,000	20,000

Purchase price paid as follows :-

(1) 10,000 Equity Share of Rs. 20 each at 10% premium.

(2) 1000 – 11% debentures of Rs. 100 each at par

(3) Cash Rs. 48,000

(B) **Write Note :-** “Consideration Method” [04]

Q.7

(A) Write about “Goodwill” and “capital reserve” in details. [07]

(B) Explain the advantages of conversion of partnership firm into company. [07]

Q.8

(A) **Give Difference :-** [07]

Receipts & Payments account and Income & Expenditure account.

(B) **Give Difference :-** [07]

Trading concern and Non trading concern.