Enrollment No: _____   Exam Seat No:_____

C.U.SHAH UNIVERSITY
Summer Examination-2019

Subject Name: Compulsory Accountancy-I
Subject Code: 4CO01CAC2   **Branch: B.Com (English)**
Semester: 1   **Date: 19/03/2019**   **Time : 02:30 To 05:30**   **Marks : 70**

Instructions:
  (1) Use of Programmable calculator & any other electronic instrument is prohibited.
  (2) Instructions 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.

Q-1   **Attempt the following questions:**   **(14)**

  a) Liabilities which are accepted or taken over by new firm on amalgamation, old firm record the same liabilities in its books by-   1
  (a) Credited to liability A/C   (b) Debited to new firm A/C
  (c) Credited to new firm A/C   (d) Debited to Capital A/C

  b) The liabilities not taken over by new firm will be transferred to the partner's capital account-   1
  (a) in their profit and loss sharing ratio
  (b) in equal proportion
  (c) in their capital ratio
  (d) in whatever ratio decided by all partners

  c) For amalgamation how many minimum numbers of partnership firms are required?   1
  (a) 3   (b) 4   (c) 2   (d) None of these

  d) Del credere commission is calculated on the   1
  (a) total sales (b) Only credit sales (c) Only cash sale (d) Total goods sent

  e) When del credere commission is not given and there is bad debt for credit sales, which account is debited in the books of consignee?   1
  (a) Debtors A/C   (b) commission A/C
  (c) consignor's A/C   (d) Bad Deb Reserve A/C

  f) Which type of commission is paid on the goods purchased by the consignee himself?   1
  (a) Normal commission   (b) Del credere commission
  (c) Additional Commission   (d) commission is not paid

  g) Joint venture Account is similar to which option?   1
  (a) Similar to only Trading Account
  (b) Similar to only Profit and Loss Account
  (c) Similar to mixture of Trading and profit and Loss Account
  (d) Similar to only Balance sheet and profit and loss Account

  h) Which of the account is not opened under joint venture Accounts?   1
  (a) Joint Bank Account   (b) Joint Venture Account
  (c) Co-venture's Account   (d) Stock Reserve Account

  i) A and B entered into joint venture. A gives Rs.60,000 to B. To which account this transaction will be recorded in the books of A?   1

(a) Joint venture A/C   (b) B's A/C   (c) Expense A/C   (d) None of these

j) How many methods of dealing with Joint Life Premium?   1
(a) 2   (b) 4   (c) 3   (d) 5

k) When policy is shown at surrender value with the help of Joint Life   1
Policy Reserve A/C, which account to debit for premium paid-
(a) premium A/C   (b) Profit and Loss A/C
(c) Trading A/C   (d) Policy A/C

l) Premium of Joint Life Policy is Rs.35,000 and surrender value of policy   1
is zero, so written off amount would be?
(a) Rs.35,000   (b) zero   (c) Rs.17,500   (d) None of these

m) Accounting standard no. 2   1
(a) Cash flow (b) Inventory evaluation   (c) Fixed assets   (d) Public debt

n) Disclosure of Accounting policy is Accounting Standard   1
(a) 1   (b) 2   (c) 3   (4)

Attempt any four questions from Q-2 to Q-8

Q-2   **Attempt all questions**   **(14)**

(a)   Give the meaning of Amalgamation of firms, State the objects of   **7**
Amalgamation.

(b)   Give the difference – Joint Venture and Consignment   **7**

Q-3   **Attempt all questions**   **(14)**

A and B were partners sharing profit and losses equally and C and D are   **14**
partners sharing profit and losses in the ratio 3:2. They amalgamated both
the company in ABCD Firm. The balance sheet of both firm as on 31-3-
2016 as under:

Liabilities	AB	CD	Assets	AB	CD
Capital:			Furniture	14,000	16,000
A	30,000	-	Stock	20,000	26,000
B	24,000	-	Debtors	24,000	30,000
C	-	30,000	Bills		
D	-	30,000	Receivable	8,000	12,000
GeneralReserve	18,000	14,000	Cash on	26,000	28,000
Creditors	20,000	28,000	hand		
	92,000	**1,12,000**		**92,000**	**1,12,000**

Conditions are as under:
(1) Reduce the value of furniture by 10% for both the firm.
Increase the value of stock by 20% for both the firm.
(2) Provide bad debts reserve at 5% on debtors for both the firm.
(3) Goodwill for AB firm is valued at Rs.12,000 and for CD firm
Rs.20,000.
(4) Valuation of Bills receivable for AB at 10% less.
(5) Valuation of Bills receivable CD at 25% less.
Prepare:
**profit and Loss Adjustment Account and Capital Account in both
the firms AB and CD.**

Q-4   **Attempt all questions**   **(14)**

	(a)	Difference – Normal Loss and Abnormal Loss	**7**
	(b)	Give the meaning of Joint venture and Discuss its characteristics.	**7**

Q-5 **Attempt all questions** **(14)**

ABC & Co. of Madras consigned 1,000 radios at Rs.150 to XYZ Bros of Bhavnagar. ABC & Co paid Rs.10,000 for freight, Rs.1,000 for wages and Rs.500 for insurance. 100 radios were destroyed by fire in trasit and the insurance Co. accepted a claim of Rs.6,000 only XYZ Bros. took delivery of the remaining radios and paid Rs.13,500 for custom duties and other charges. **14**

The consignee accepted a bill of Rs.50,000 drawn by the Consignor for 3 months. The consignee sent an account Sale after two months stating that he has sold 800 radios at Rs.250. He had paid Rs. 3,000 for advertisement and other selling expenses. The consignee is entitled to a commission of 5% on gross sale proceeds.

Prepare Consignment Account and Consignee's A/c in the books of the consignor.

Q-6 **Attempt all questions** **(14)**
(a) Give the form of "Joint Venture" **7**
(b) Explain Accounting Standard-4. **7**

Q-7 **Attempt all questions** **(14)**
(a) Discuss AS-3 "Cash Flow Statement" **7**
(b) Write a short Note: Policy Surrender value **7**

Q-8 **Attempt all questions** **(14)**
(a) Sachin, Rohit and Dhawan are partners sharing profit and losses in the ratio of 2:2:1. They took out a Joint life policy of Rs.45,000 on 1-1-2007 for which annual premium is Rs.3,000. First premium is paid on 31-1-2007. Dhawan died on 31-1-2010. **7**
The surrender value of policy: **31-12-2007 - Rs.Nil**
31-12-2008 - Rs.1,200 31-12-2009 - Rs.2,600
Policy is shown at its surrender value.
Accounting year ends on 31st December every year.
Prepare policy Account and Policy Reserve Account.
(b) Explain any method of dealing with premium paid on Joint Life Policy **7**