Enrollment No: ______________________ Exam Seat No:______________________

C. U. SHAH UNIVERSITY

Winter Examination-2019

Subject Name: Compulsory Accountancy – I

Subject Code: 4CO01CAC2 Branch: B.Com (English)

Semester : 1 Date : 21/11/2019 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) Debited to new firm a/c (B) Credit to new firm a/c
(C) Debited to capital a/c (D) None of the above

b) The assets not taken over by the new firm will be transferred to the partner's capital account…. — 1
(A) Equal ratio (B) Capital ratio
C) P&L ratio (D) Ratio decided by all partners

c) Del credere commission is calculated on the — 1
(A) Total sale (B) Credit sale (C) Cash sale (D) Good sent

d) When del credere commission is not given and there is bad debt for credit sales which account is debited in the books of consignor? — 1
(A) Debtors A/c (B) Consignment A/c (C) Consignor A/c (D) None

e) Which type of commission is paid on the goods purchased by the consignee himself? — 1
(A) Normal Commission (B) Additional Commission
(C) Del credere commission (D) Commission not paid

f) Following activities are appropriate for joint venture business: — 1
(A) Construction of river bridge (B) Cloth shop
(C) Medical store (D) ACC cement agency

g) Which of the following account is not opened under Joint Venture Accounts? — 1
(A) Joint Bank Account (B) Joint venture Account
(C) Co-ventures Account (D) Stock Reserve Account

h) Joint venture account is similar to which option? — 1
(A) similar to only Trading Account
(B)similar to only profit & loss Account
(C) similar to only mixture of trading and profit and loss account
(D) Similar to only balance sheet and profit and loss account

i) How many methods of dealing with Joint Life Premium? — 1
(A) 2 (B) 4 (C) 3 (D) 5

j) When the joint life policy A/C shown with help of reserve A/c, which account to debit for premium paid… — 1

(A) P&L A/C (B)Trade A/c (C) Policy A/c (D) None of the above

k) Premium of joint life policy is Rs. 35,000 and surrender value of policy is zero so written off amount would be? 1

(A) Rs.35, 000 (B) Zero (C) Rs. 17,500 (D) None of the above

l) Presentation of financial statement is Accounting Standard No…… 1

(A) 1 (B) 2 (C) 3 (D) 4

m) Accounting Standard No. 4 Event after the reporting period Applied…. 1

(A) 1-4-1995 (B) 1-4-1993 (C) 1-4-1980 (D) 1-4-1991

n) Accounting Standard No.2 1

(A) Cash Flow (B) Inventories (C) Amalgamation (D) Depreciation

Attempt any four questions from Q-2 to Q-

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

(A) On the 1st October 2013 Noor and Kabir entered into joint venture to share profit & loss in to the ratio of 3:2. They deposited Rs. 30,000 and Rs. 20,000 respectively to their Joint Bank Account. They decided that joint bank account is to be used for purchase and sales only. **7**

Noor is to be paid salary of Rs. 1,000 p.m. and Kabir to be paid a commission of 8% on sales made by him.

The following are the transactions of the joint venture.

1) Noor purchased goods worth Rs. 22,500 and paid expense of Rs. 250.
2) Kabir purchased goods worth Rs. 19,000 and paid expense of Rs. 200.
3) Kabir sold some of the goods Rs. 50,000 and paid Rs. 100 for expense.
4) Noor purchased remaining goods for Rs. 15,000 for his personal use.
5) Noor agreed to pay Rs. 500 of stationary expense for joint venture.
6) Joint Venture Business Closed on 31-03-2014.

Use above information and Prepare 1) Joint Venture Account 2) Partner's Capital Account 3) Joint Bank Account.

(B) Explain Normal and Abnormal loss. **7**

Q-3

Hiro & Bhanu share profit & loss in 2:1 and Sarita & Chetana share profit & loss 3:1 in their respective firms. The balance sheet of both the firms are as under: **14**

Liabilities	Hiro Bhanu	Sarita Chetana	Assets	Hiro Bhanu	Sarita Chetana
Capital:			Furniture	7,000	8,000
Hiro	15,000	-	Stocks	10,000	13,000
Bhanu	12,000	-	Debtors	12,000	15,000
Sarita	-		Bills		
Chetana	-	20,000	Receivable	4,000	6,000
General		10,000	Cash	13,000	14,000
Reserve	6,000	10,000			
Accident					
Fund	3,000	2,000			
Creditors	10,000	14,000			
	46,000	**56,000**		**46,000**	**56,000**

A new firm is established by amalgamation both the firms. Following are the conditions of the amalgamation:

1) Furniture to be reduce 10% of the both firms.
2) Stock increase 20% of the both firm

3)Keep 10% bad debt reserve on debtors.
4)Goodwill of the firm of Hiro –Bhanu is valued at Rs. 6,000 and the firm of Sarita- Chetana is valued at Rs. 16,000.
5) Hiro purchase the bills receivable of firm of Hiro-Bhanu at Rs. 3,600 And the bills receivable of the firm of Sarita-Chetana taken by new firm at Rs. 4,500.

Prepare: 1) Profit & Loss Adjustment a/c. 2) Partner's Capital a/c. 3) New Firm Balance Sheet.

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

(A) Give the Journal Entries of below Adjustment for Joint Venture. **7**
1. Distribution of Loss in Joint Venture.
2. Commission paid on Total sale.
3. When expenses are paid for Joint Venture.
4. When Sale for Joint Venture made on Cash.
5. Partner gave their personal goods to Joint Venture.
6. When goods are purchased for joint Venture on Cash.
7. When sale for Joint Venture made on Credit.

(B) Give the Difference – Sale and Consignment. **7**

Q-5

Arjun whose accounting year ends on 31^{st} March each year, consigned 100T.V. costing Rs. 3,000 each to Abhimanyu of Surendranagar on 1-2-2016. He paid Rs. 5,000 towards freight and insurance. **14**
15 T.V. were Damaged in transit and insurance company paid Rs. 10,000.
Abhimanyu took delivery of goods and immediately accepted a bill drawn on him, and Give below Information:
1) 75 T.V. were sold at Rs. 4,500 per T.V
2) He paid Godown Rent Rs. 4,000, Clearing charges Rs. 8,500, Carriage outwards Rs. 3,500.
He is entitled to a Commission of 10% on the sale proceeds.
Prepare a Consignment A/c and Consignee's A/c.

Q-6 Attempt all questions **(14)**

(A) Give the meaning of the Joint venture and Explain its Characteristics. **7**

(B) Sheetal, Vandana and Pratyusha are partners sharing profit and losses in the ratio of 2:1:1. They have taken out Joint Life Policy on 1-01-2006 for Rs. 1,75,000. The annual premium is Rs. 15,000. **7**
The Surrender Value are as under:

Year:	2006	2007	2008	2009
Surrender Value Rs.:	Zero	3,000	9,000	18,000

Pratyusha died on 10-02-2010 and the firm receive Policy amount of Rs. 2,00,000
The accounting year ends on 31-12 every year.
Prepare Joint Life Policy A/c and Joint Life Policy Reserve A/c.

Q-7 Attempt all questions **(14)**

(A) What is Joint Life Policy? Explain Surrender Value. **7**

(B) Piyush, Pramod and Prahalad were partners sharing profit and losses in the ratio of 3:2:1. They took out policy on 1-1-2011 of Rs. 90,000 and its annual premium is Rs. 9,000. **7**
The accounting years ends on 31^{st} December every year.

Prahalad died on 15-2-2014 and received policy amount.

Pass the journal entries for:

1) If the premium was treated as revenue Expenditure.

2) If the premium was treated as Capital Expenditure.

Q-8		**Attempt all questions**	**(14)**
	(A)	Explain Accounting Standard No – 5.	**7**
	(B)	Explain Accounting Standard No – 3 Cash Flow Statement.	**7**