Enrollment No:	Exam Seat No:	

C. U. SHAH UNIVERSITY

Winter Examination-2019

Subject Name: Compulsory Accountancy-II

Subject Code: 4CO02CAC2 Branch: B.Com (English)

Semester: 2 Date: 18/09/2019 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)	Share and Debenture which got from Company as a Purchase	1
		Consideration noted as which price?	
		(a) Face (b) Average (c) Market (d) None of the above	
	b)	Business assets and liabilities are to be transferred to realization account	1
		conversion of business at their	
		(a) Market value (b) Cost price	
		(c) Replacement value (d) None of the above	
	c)	Net Assets –purchase consideration =	1
		(a) Goodwill (b) Capital Reserve (c) Consideration (d) liabilities	
	d)	The instruction is not given about to distribute the shares or debentures	1
		received as purchase consideration among the partners, How it should be	
		distribute?	
		(a) in closing capital ratio (b) in P&L ratio	
		(c) as per accounts (d) equal ratio	
	e)	When a purchaser bears the firm's dissolution expenses, then the same is	1
		debited to which account?	
		(a)share capital (b) vendor's A/C (c) Dissolution expenses (d) Goodwill	
	f)	Which of the following amount is treated as Owners' Funds?	1
		(a) Reserve Fund (b) Profit & Loss account	
		(c) Workmen's Competition funds (d) None of the above	
	g)	In order to find out additional capital of any partner as per surplus capital	1
		method, consider the capital of a particular partner whose proportional	
		capital compared to other partners' capital	
		(a) More (b) Zero (c) Less (d) None of above	
	h)	Amount reserved for Dissolution expenses will be subtracted from the	1
		instalment.	
		(a) First (B) Second (c) Third (d) Last instalment	
	i)	In piecemeal distribution of cash, the debit balance of profit & loss	1
		Account is	
		(a) deducted from partners' capital A/c (b) added in partners' capital A/c	
	•	(c) should not be distributed (d) deducted from cash	_
	j)	Big amount spent on advertisement campaign is:	1
		(a) Revenue Expenditure (b) Capital Expenditure	



	• .	(c) Establishment Expenditu	` ′	Deferred Revenue Exp	penditure	
	k)	Income – Expenditure A/c i				1
	1)	(a) Receipt payments A/c (_		P & L A/c	1
	1)	Which of the following is N	_			1
		(a) ABC Ltd.	* *	av Seva Trust		
	,	(c) Partnership Firm	, ,	ın Book store		1
	m)	Accounting Standard for Fix				1
	. `	(a) 8 (b) 9	(c) 1	` /	. 10	
	n)	In which year Construction				
A 44	4		(b) 1993	(c) 1999	(d) 2003	
Atter	npt any	four questions from Q-2 to	Q-8			
Q-2		Attempt all questions				(14)
	(a)	Explain the method of Maxi	mum Loss M	Iethod of piecemeal Di	stribution	7
		of Cash.				
	(b)	Classified above Informatio	n between Ca	apital Income, Capital		7
		Expenditure, Revenue Incom		-		
		1) Special prize Fund	· · · · · · · · · · · · · · · · · · ·	ction of Electricity		
		3) Magazine subscription	4) Entry F	,	Assets	
		6) Hereditament	7) Donat	ion		
Q-3		Attempt all questions				(14)
	(a)	-	-Rs. 2,80,00	00, Bunny – Rs. 1,60,0	00 and	7
		Naina – Rs. 80,000				
		Bank loan (Secured) – 80,0	00 Creditors	-2,00,000 Profit	and	
		Loss(Debit) - Rs. 40,000	at.			
		The assets were realized as				
		2 nd Installation= 1,60,000	3 rd Installati	on = $1,28,000$		
		4 th Installation = 1,92,000	•	0001		
		Reserve for Realization Exp	•	-		
		Prepare statement showin		distribution of cash a	mong	
	a >	partners as per Capital M		.4 . 4 4 . 1 .	•	_
	(b)	Use of above information of			_	7
		piecemeal distribution of o	asn among j	partners as Per Maxii	mum Loss	
0.4		Method.				(1.1)
Q-4		Attempt all questions	ra in a firm al	paring profit and Lagge	s in the	(14) 14
		Ram and Lakhan are partner ratio of 3:2. The Balance she				14
		Liabilities	Rs.	Assets	Rs.	
			NS.		_	
		Capital Accounts: Ram - 1,12,500		Machinery Furniture	63,750 56,250	
		Lakhan – 82,500	1,95,000	Investments	45,000	
		General Reserve	22,500	Stock	90,000	
		Provident Fund	30,000	Debtors	60,000	
		Creditors	67,500	Bank	15,000	
		Worker's Accident	07,500	Dank	15,000	
		C ' F 1	15 000			

On 1-4-2019 the firm was converted into kapil Ltd. Under the following conditions:



15,000 **3,30,000**

Compensation Fund

3,0,000

- 1. The company will not take furniture and Bank Balance.
- 2. The Company will take over machinery and stock at their market value. Machinery shown in the balance sheet is 15% less than the market price and stock shown in the balance sheet is 20% more than market price.
- 3. Provide bad debts reserve on debtors at 10%.
- 4. Company agreed to pay Rs. 37,500 for goodwill.
- 5. Against purchase price the company has to give 16,500 equity shares of Rs. 10 each at 10% premium and other balance in cash.
- 6. Furniture realized Rs. 43,500 and dissolution expenses is Rs. 3,000.
- 7. out of shares received from the company, 5,250 shares were sold at Rs.
- 12 per share and remaining shares were shared by them in their profit sharing ratio.

Prepare Necessary Accounts.

Q-5 Attempt all questions (14) (a) Write the necessary Journal entries of Purchasing company and prepare The Opening Balance Sheet.

(b) The following Balance sheet of "P.K Bros." as on 31-3-2019

Liabilities	Rs.	Assets	Rs.
Capital:		Land – Building	1,80,000
Raju	1,50,000	Machinery	1,20,000
Farhan	1,10,000	Stock	1,10,000
Workmen Profit fund	20,000	Debtors	80,000
Workmen		Investment	30,000
Compensation Fund	15,000	Cash	10,000
Bank loan	2,00,000		
Creditors	25,000		
Bills Payable	10,000		
-	<u>5,30,000</u>		<u>5,30,000</u>

On 1-4-'19 "Maya Ltd." was incorporated with an authorized capital of 5000 Share each Rs. 100. The condition as follow:

- 1) Land & Building Rs. 2,00,000, Stock Rs. 1,00,000, Investment Rs. 40,000 and Other Assets and Liabilities taken over at book value.
- 2) Goodwill Rs. 50,000 3) 10% bed debt reserve on Debtors.
- 4) The purchase consideration is to be satisfied by issuing 2500 equity share Rs. 80 paid up at the rate of Rs. 120 and other amount in Cash.
- 5) The company has issued remaining share to the public at Rs. 80 paid up at the rate of Rs. 120.

Calculate and prepare Opening Balance sheet of New Firm.

Q-6		Attempt all questions	(14)
	(a)	Give the Difference: Differed Revenue Expenses and Revenue Expenses	7
	(b)	Explain the method of Net Assets which calculate at the time of Business	7
		Purchase or Conversation.	
Q-7		Attempt all questions	(14)
_	(a)	Explain Accounting Standard No – 6.	7
	(b)	Explain Accounting Standard for Fixed Assets.	7
Q-8		Attempt all questions	(14)
		The Zain Club presents the following Trial Balance on 31-3-2019 prepare	14
		and Income and Expenditure Account and Balance sheet as on the same	



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date:

Debit balance	Rs.	Credit balance	Rs.
Office Staff salary	30,000	Income for	
Postage Telegram expense	3,600	Entertainment	
Honorarium to Secretary	36,000	Programmed	45,000
Sundry expense	9,600	Interest on	
Repairs	2,400	investment	6,720
Subscription for		Subscription	2,40,000
newspaper	8,100	Sale of old news	
Free ship given from		paper	1200
education fund	12,000	Entrance fee	10,800
Education fund Investment	90,000	Donation	46,800
Canteen's expense	55,500	Education fund	90,000
Expense for entertainment		Income from	
Programmed	27,300	education fund	
Purchase of sport		investment	8,400
equipment (1-1-'19)	34,800	Canteen's income	78,000
Purchase of furniture (1-		Sundry receipts	5,580
10-18)	15,000	Capital Fund	4,05,000
Sport equipment	1,65,000		
Investments	67,200		
Fixed deposit in bank	60,000		
Building	2,70,000		
Furniture	36,000		
Cash balance	15,000		

Additional Information: 1. Honorarium to secretary outstanding Rs. 9,000

- 2. Subscription due Rs. 15,000 and Subscription received in advance Rs. 18,000.
- 3. Half of the entrance fees is capitalized.
- 4. Interest due on education fund investments is Rs.600.
- 5. Provide depreciation at 10% on Sport Equipment and 6% on furniture per annum.

