

C. U. SHAH UNIVERSITY

Winter Examination-2020

Subject Name: Compulsory Accountancy – I

Subject Code: 4CO01CAC2

Branch: B.Com (English)

Semester: 1

Date: 12/03/2021

Time: 03:00 To 06:00

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) When goods are sent for sale on consignment basis, which account is debited in the books of consignor for amount of goods? 1
 - (a) consignee's A/C (b) Consignment A/C
 - (c) Goods sent for sale on consignment A/C (d) Sales A/C
 - b) In consignment accounts, abnormal loss is debited to- 1
 - (a) consignee Account (b) Consignment Account
 - (c) Profit and loss A/c (d) Principal Account
 - c) When the bill of exchange drawn by the consignor is accepted by the consignee which account will be credited in the book of the consignor? 1
 - (a) Consignment A/C (b) Consignee's
 - (c) Bill Receivable A/C (d) Bills Payable A/C
 - d) When premium is considered as capital expenditure, which Account is debited for premium paid? 1
 - (a) Policy A/C (b) Trading A/C (c) Premium A/C (d) Profit and Loss A/C
 - e) Del credere commission is calculated on the 1
 - (a) total sales (b) Only credit sales (c) Only cash sale (d) Total goods sent
 - f) 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
 - g) 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
 - h) Premium of Joint Life Policy is Rs. 50,000 and surrender value of policy is zero, so written off amount would be? 1
 - (a) Rs.50,000 (b) zero (c) Rs.17,500 (d) None of these
 - i) When policy is shown at surrender value with the help of Joint Life Policy Reserve A/C, which account to debit for premium paid- 1
 - (a) premium A/C (b) Profit and Loss A/C



- (c) Trading A/C (d) Policy A/C
- j) How many methods of dealing with Joint Life Premium? 1
 (a) 2 (b) 4 (c) 3 (d) 5
- k) Following activities are appropriate for joint venture business: 1
 (a) Construction of river bridge (b) Cloth shop
 (c) Medical store (d) ACC cement agency
- l) The abnormal loss of Rs. 40,000 occurred in consignment business, the insurance 1
 company accepted claim of Rs. 20,000. The abnormal loss in P & L a/c.....
 (a) 40,000 (b) 20,000 (c) 60,000 (d) None of the above
- m) When Independent books of accounts are maintained for joint venture business, the 1
 expenses paid for joint venture is.
 (a) Credited to Joint Bank a/c (b) Credited to expense a/c
 (c) debited to the partner a/c (d) Credited to Joint venture a/c
- n) When premium is considered as Revenue expenditure, which Account is debited for 1
 premium paid?
 (a) Policy A/C (b) Trading A/C (c) Premium A/C (d) Profit and Loss A/C

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

- Q-2 Attempt all questions (14)**
 (a) Give the Difference – Consignment and Joint Venture. 7
 (b) Prepare Consignment a/c and Consignee a/c with Imaginary Figures. 7
- Q-3 Attempt all questions (14)**
 (a) What is Joint Life Policy? Explain various methods of dealing with premium paid on 7
 Joint Life Policy.
 (b) Give the difference – Joint Venture and Partnership. 7
- Q-4 Attempt all questions (14)**
 (a) Mahavir & co. of Mumbai consigned 1,000 Calculator at Rs.150 to Raj Bros of 14
 Surendranagar. And Cost Price is Rs. 100. Mahavir & co. paid Rs. 10,000 for freight,
 Rs. 1,000 for wages and Rs.500 for insurance. 100 Calculator were destroyed by fire
 in transit and the insurance Co. accepted a claim of Rs. 6,000. Raj Bros. took
 delivery of the remaining Calculator and paid Rs. 13,500 for custom duties and other
 charges.
 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 Calculator 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-5 Attempt all questions (14)**
 (a) Pandya, Agrawal and Shahid are partners sharing profit and losses in the ratio of 7
 2:2:1. They took out a Joint life policy of Rs. 5,00,000 on 1-1-2017 for which annual
 premium is Rs. 30,000. First premium is paid on 31-1-2017. Shahid died on 31-1-
 2020.
 The surrender value of policy: 31-12-2017 - Rs. Nil
 31-12-2018 - Rs. 1,200 31-12-2019 - 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) Using above Information of Q. 5 (a) Write a Journal Entries for every year. 7
Q-6 Attempt all questions (14)
- (a) On October 1st, 2019 Mable and Austin entered into joint venture sharing profit & losses in the ratio 2:1. They deposited Rs.2,00,000 and Rs. 1,00,000 respectively into their joint Bank Account and decided that joint bank account is to be used for purchase and sale, while joint venture expenses should be paid by each partner out of their private fund. Mable is to be paid annual salary of Rs. 20,000 for general administration and Austin is to be paid commission at 10% on sales he affects. 7
- Mable purchased goods worth Rs.2,00,000 and paid for expenses Rs. 10,000. Austin sold some of the goods for Rs.2,00,000 and paid selling expenses Rs. 4,000. unsold goods worth Rs. 68,000 were taken over by Austin.
- Account were settled on 31st march, 2020.
- Prepare: - joint Venture Account, Partners Capital Account and Joint Bank Account.
- (b) Give the Journal Entries of below Adjustment. 7
- (1) When goods are purchased for Joint Venture on Cash.
 - (2) When goods are purchased for Joint Venture on credit.
 - (3) When expenses are paid for Joint venture.
 - (4) When sale for Joint Venture made on Credit.
 - (5) When bad debt arises in Joint Venture.
 - (6) When partners take closing stock in Joint Venture.
 - (7) Distribution of Profit in Joint Venture.
 - (8) When sale for Joint Venture made on Cash.
 - (9) When Partner provide personal good for Joint Venture.
 - (10) When Commission paid on sale.
- Q-7 Attempt all questions** (14)
- (a) Sammy and Bunny entered into a joint venture as dealer in land. They agreed to share profits and losses in the ratio of 3:2. They deposited Rs.1,20,000 and 1,80,000 respectively in their Joint Bank Account. 14
- They purchased a plot of land measuring 3,000 sq. meter at a cost of Rs.900 per sq. meter. They paid following expenses from Joint bank account:
- | | |
|---------------------------|----------|
| Registration charges | 1,20,000 |
| Stamp Duty | 72,000 |
| Legal Adviser's fee | 12,000 |
| Miscellaneous expenditure | 37,500 |
- They prepared a plan for selling the plot of land. In the side plan 20% of the land left over for public roads and 10% of the land left over for public park and remaining land was divided into 15 plots of equal size.
- 10 plots were sold by Sammy for Rs.1650 sq. meter and remaining plots were sold by Bunny for Rs.1800 per sq. meter. Both are entitled for 5% commission on sales.
- Prepare:
- (1) Joint Venture Account (2) Joint Bank Account (3) Capital Accounts.
- Q-8 Attempt all questions** (14)
- (a) Agastya, Rio and Maddie are partners sharing profits and losses in the ratio of 2:1:1. 7
- They have taken out Joint Life Policy on 1st January, 2016 for Rs.1,50,000. The annual premium of the same is Rs. 15,000. The surrender value of the Joint life policy in the different years were as under:



Year	surrender value
2016	zero
2017	3,000
2018	9,000
2019	18,000

Maddie expired on 10th February, 2020 and the firm receives policy money. Rs.1,75,000 including Bonus on 10th Feb,2020 The accounting year of the firm ends on 31st December every year.

Prepare joint life policy Account and joint life policy reserve

Account.

- (b) Babulal of Kolkata consigned 20 Mobile sets to Popatlal of Wadhwan at a price of Rs 5,000 each on 1-4-2019. Babulal paid Rs1000 for freight and insurance, while sending the goods. 7

Consignee is entitled to get 5% general commission and 2% Del cred. commission.

On 31-3-2012 Babulal sent an account sales and a bank draft for the amount due from him.

It was reported in the account sales that

- (1) He paid Rs 400 for octree, Rs 600 for insurance premium and Rs. 1500 for advertisement.
- (2) He sold 10 Mobile sets at Rs 5,500 each for cash.
- (3) He sold 5 Mobile seats at Rs 6,000 each on credit.
- (4) One (1) Mobile set was completely destroyed during the transits and the insurance company admitted a claim of Rs 3,750

From the above particulars, prepare Consignment Account and Consignees' Account.

