

S.NO: 22N1- UC

Course Code: CUE

A.D.M.COLLEGE FOR WOMEN, NAGAPATTINAM

(AUTONOMOUS)

B. Com Degree Examination

III Semester – November – 2022

CC V – FINANCIAL ACCOUNTING

Time: 3 hours

Maximum Marks: 75

Section -A

10X2=20

Answer ALL the Questions

1. Define 'Partnership'.
2. Define goodwill.
3. What do you mean by gaining ratio?
4. What is joint life policy?
5. Define dissolution of a firm.
6. Who is called an Insolvent?
7. What is a share?
8. What do you understand by issue of share at 'par'?
9. What is meant by forfeited shares?
10. What are calls in arrears?

Section -B**5X5=25**Answer **ALL** the Questions

11. a) M, N and O were during profits in the ratio of 4:3:2, P was admitted with $\frac{1}{3}$ rd share. Calculate the new ratio and scarfifying ratio.

(Or)

b) P and Q share profits in the ratio of 7: 3 R was admitted as a partner. P surrendered $\frac{1}{7}$ th of his share and Q $\frac{1}{3}$ rd of his share in favour of R, calculate new ratio.

12. a) A, B ,C and D were partners sharing profits in 4:3:2:1 ratio. A and D retired from the firm. Calculate the new profit-sharing ratio.

(Or)

b) P, Q and R are sharing profits in the ratio of 2:2:1. Q retires and the new profit ratio agreed between the continuing partners P and Q is 4:3. Calculate gaining ratio.

13. a) A, B and C share profits and losses in the ratio of 2: 2: 1, the following is the balance sheet.

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	30000	Cash in	4000
Capital		Sundry Debtors	44000
A	30000	Stock	44000
B	24000		
C	<u>8000</u>		
	<u>92000</u>		<u>92000</u>

The firm was dissolved and assets were realized gradually .Rs 20000 were received first, Rs.30000 was and next Rs.18000 finally. Show how the distribution of cash is made.

(Or)

b) Explain the rule laid down in Garner vs. Murray.

14 . a) Ram Ltd, purchased assets of Rs. 800000 from Anil Bros. It issued equity shares of Rs.100 each fully paid in satisfaction of their claim. Make journal entries of record these transactions.

(Or)

b) Balu co Ltd., issued 5000 equity shares of Rs.10 each to the public on condition that full amount of shares will be paid in a lump sum. All these shares were taken up and paid by the public. Pass journal entries in the books of company when:

(i) Shares are issued at par (ii) Shares are issued at a premium.

(Or)

15 . a) P Ltd. forfeited 100 shares of Rs.10 each for non-payment of the first call of Rs.2 and final call of Rs.3. of these 60 shares were reissued @ Rs. 8 per share. Arising from these , which accounts remain and what balance do they show?

(Or)

b) X Ltd forfeited 10 shares of Rs.10 each (Rs.6 called up) issue at a discount of 10% to Neeta, on which she had paid Rs.2 per share. Out of these, 8 shares were reissued to Meeta as Rs. 8 called up, for Rs. 6 per share. Journalise.

Section –C

3 X 10 = 30

Answer any **THREE** Questions

16. Describe the contents of partnership deed.

17. A, B and C are partners in a firm sharing profits and losses in the ratio of 3:1:1 respectively. Their Balance Sheet as on 30.06.2009 was as follows.

Liabilities	Rs.	Assets	Rs.
Capital Accounts:		Cash in hand	3000
A	70000	Cash at bank	5000
B	50000	Sundry debtors	45000
C	30000	Stock	35000
Sundry Creditors	8000	Machinery	30000
Reserve Fund	30000	Building	70000
	178000		178000

On the date C retires from business. It is agreed to adjust the values of the assets as follows:

- a. To provide a reserve of 5% debtors
- b. To depreciate stock by 5% and Machinery by 10%
- c. Building to be revalued at Rs.75000.

Prepare Revaluation A/c, Capital A/c and the Balance sheet of the reconstituted firm.

18. The balance sheet of X,Y and Z who are sharing profit and losses in the ratio of 2: 2:1 was as follows on 31st March 2015, the date of dissolution:

Liabilities	Rs.	Assets	Rs.
Sundry creditors	120000	Cash	1000
Bank loan		Stock	60000
(with a charges on stock)	50000	Other assets	109000
Capital		Capital	
X	30000	Z	20000
Y	20000	Goodwill	30000
	220000		220000

Stock realized Rs.52000 and other assets sold were for Rs.90000 expenses of realization amounted to Rs 3000 Assuming that all the Partners are Insolvent, prepare the necessary ledger accounts to close the books of the firm.

19. A Ltd, issued 20000 equity shares of Rs.100 each payable as under:

Rs. 25 on application

Rs. 35 on allotment

Rs. 40 on call

25000 shares were applied for. The directors accepted applications for 20000 shares and rejected the remaining applications. All the money due were fully received.

Show the journal entries in the books of the company.

Give Journal entries and show the balance sheet of the company.

20. Good Prospects Ltd, issued 40000 equity shares of Rs.10 each at a premium of Rs. 2 per share . The share were payable as under:

Rs. 2 on application

Rs. 5 on allotment (including premium)

Rs. 5 on first & final call

All the shares were applied for and allotted. All the moneys were received with the exception of first & final call on 1000 shares which were forfeited. 400 of these were reissued as fully paid at Rs. 8 per share.

Give Journal entries, Prepare Bank A/c and show the balance sheet of the company.