



SN – 656

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I Semester B.Com. Degree Examination, November/December 2013
(Semester Scheme)
COMMERCE

Financial Accounting – I (2011-12 only)

Time : 3 Hours

Max. Marks : 100

Instruction: Answers should be either in **Kannada** or in **English**.

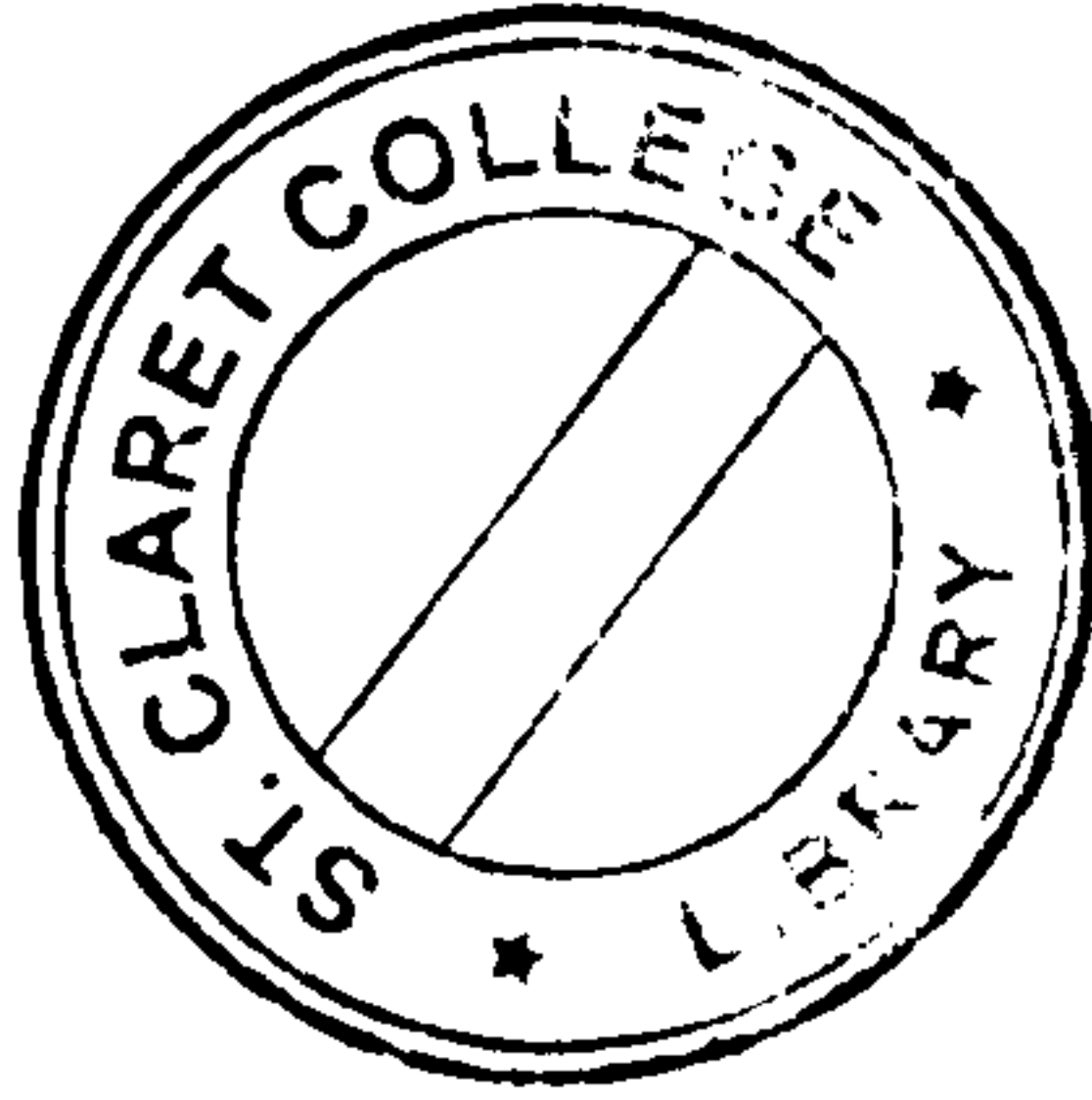
SECTION – A

Answer **any 8** sub-questions from the following. **Each** sub-question carries **2** marks.

1. a) What do you mean by sale of a firm to a limited company ?
- b) Why is minimum rent clause included in the Royalty agreement ?
- c) State 2 features of Instalment system ?
- d) What do you mean by Down payment ?
- e) What do you mean by Incorporation entries ?
- f) How do you treat Goodwill in case of the Amalgamated firm ?
- g) Can the seller seized the goods under instalment system ? Give reason ?
- h) What do you mean by Amalgamation ?
- i) Explain lessee and lessor ?
- j) Calculate Hire charges from the following :

Hire purchase price – 1,00,000

Cash price – 72,000



P.T.O.



SECTION – B

Answer **any 3** questions from the following. **Each** question carries **8** marks.

2. Prepare Royalties Analytical table and short working a/c from the following details :

- a) Minimum Rent ₹ 40,000 P.A.
- b) Royalty payable ₹ 5 per ton
- c) Short working can be recovered during first four years only.
- d) The production for the first 4 years were as follows :
 - 2003 – 4000 tons
 - 2004 – 6000 tons
 - 2005 – 8000 tons
 - 2006 – 9000 tons.

3. Calculate cash price of an Asset from the following details

- Down payment – 1,500
- First Instalment – 10,800
- Second Instalment – 10,350
- Third Instalment – 9,900
- Fourth Instalment – 9,450
- Rate of Interest 5% p.a.

4. A company takes over the following Assets and liabilities from a partnership firm

- Land and Building – 44,000
- Plant and Machinery – 22,000
- Debtors – 28,000
- Stock – 24,000
- The value of Goodwill is fixed @ ₹ 8,000
- Current liabilities – 15,400

Calculate purchase consideration which is payable in 3300 shares of ₹ 10 each fully paid and balance in cash.



5. Vinay purchased a motor car from Bangalore Motors on 1-1-2007 on Instalment system. The payment is made as follows. The cash price 1,00,000, ₹ 20,000 on delivery, ₹ 38,000 at the end of first year, ₹ 30,000 at the end of second year and ₹ 27,500 at the end of third year. Interest at 10 p.a. is included in these installments.

Mr. Vinay charged depreciation on the motor car at 20% p.a. on diminishing balance method.

You are required to prepare Interest Suspense Account.

6. Following is the balance sheet of M/s R and S who share Profits and Losses equally.

B/s of M/s R and S as on 31-12-2011

Liabilities	Amount	Assets	Amount
Creditors	34,000	Cash	6,000
Capital A/c's		Stock	16,000
R	20,000	Debtors	12,000
S	20,000	Furniture	6,000
		Plant and Machinery	14,000
		Land and Building	20,000
	74,000		74,000

R and S decided to amalgamate with N and P on the following terms.

Plant and Machinery to be taken over at ₹ 12,000 Stock at ₹ 15,000, Debtors- ₹ 11,000, furniture and Creditors at book values and Land and Building at ₹ 22,000.

Pass the Journal entries in the books of R and S.



SECTION – C

Answer **any 4** questions. **Each** question carries **15** marks.

7. Ravi and Guru are partners sharing profits in the ratio 2:1 and their Balance Sheet on 31-3-2004 was as follows :

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash	150
Bills payable	5,000	Bills receivable	2,500
Ravi's loan	10,000	Debtors	30,000
Guru's capital	10,000	RDD	<u>1,500</u> 28,500
Ravi's capital	15,000	Stock	21,850
Reserve fund	3,000	Machinery	10,000
	63,000		63,000

They agreed to sell the business to a limited Co. & the Co. to take over Asset including cash and liabilities as follows :

Machinery ₹ 8,000, Stock at ₹ 17,500 Debtors at ₹ 25,350,

Bills Receivable at ₹ 2,500, Goodwill at ₹ 3,000.

The company agreed to take over Creditor at ₹ 19,500. The expenses Realization amounted to ₹ 150.

Prepare necessary ledgers accounts in the books of the firm.



8. Z company Ltd. took a lease from as landlord for a period of 25 years from 1-1-2001 on a royalty of ₹ 4 per ton at coal raised with a minimum rent of ₹ 40,000 and power to recoup

Short working during the first 4 years of the lease.

The Annual output was as follows :

2001 – 5,000 tons

2002 – 8,000 tons

2003 – 10,000 tons

2004 – 15,000 tons

2005 – 20,000 tons

Prepare the necessary Ledgers Accounts in the books of Z Company Ltd.

9. On 1-1-2005 Ramesh purchased a Machine from Rajesh Enterprises on Hire purchase system. The particulars as follows :

a) Cash price = ₹ 2,00,000

b) ₹ 80,000 to be paid on signing the contract

c) Balance in 3 instalment of ₹ 40,000 plus interest.

Interest charged on outstanding balance at 5% Depreciation at 10% p.a. on written down value method.

Prepare necessary Ledger Accounts in the books of Mr. Ramesh.



10. Digital company purchased a Truck on 1-1-2007 under Instalment system for a cash price of ₹ 46,500, ₹ 1,500 is to be paid on signing the agreement, the balance is payable in 3 instalment of ₹ 15,000 each together with 5% interest. Depreciation is to be charged at 10% p.a. on the reducing balance method. Prepare necessary Journal entries in the books of Digital company.
11. Following are the Balance Sheets of M/s R and S and M/s X and Y as on 31-3-2012

Liabilities	R&S	X&Y	Assets	R&S	X&Y
Creditors	24,000	34,500	Building	–	75,000
Reserves	15,000	–	Machinery	30,000	45,000
Capitals :			Patents	15,000	7,500
R	60,000		Stock	37,500	30,000
S	15,000		Debtors	15,000	24,000
X		75,000	Investment	7,500	–
Y		75,000	Cash	9,000	3,000
	1,14,000	1,84,500		1,14,000	1,84,500

R and S shared Profit and Loss in the ratio 3:2 and X and Y shared equally.

The firm decided to Amalgamated on the following terms :

- a) Investments of R and S were not to be taken over by the new firm R and S take them in their profit sharing ratio.



- b) Goodwill of R and S was ₹ 30,000 and that of X and Y of ₹ 60,000
- c) Patents R and S were ₹ 22,500 and Stock ₹ 45,000 a provision of 8% was to be created on debtors.
- d) Machinery of X and Y to be written down to ₹ 37,500 Stock of X and Y was found over valued by ₹ 3,000 and the Book debts of ₹ 1,500 was bad and had to be written off. Patens of X and Y were valued at ₹ 12,000. Your are required to prepare ledgers A/c in the books of R and S and X and Y (old firm).

Prepare Amalgamated balance sheet of new firm.

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ವಿಭಾಗ - ಎ

ಈ ಕೆಳಕಂಡವುಗಳಲ್ಲಿ 8 ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

- a) ಕಂಪನಿಗೆ ಪಾಲುದಾರಿಕೆ ಸಂಸ್ಥೆಯ ಮಾರಾಟ ಎಂದರೇನು ?
- b) ರಾಜಧನದ ಒಪ್ಪಂದದಲ್ಲಿ ಕನಿಷ್ಠ ಬಾಡಿಗೆ ಒಳಗೊಂಡಿರುವುದು ಏಕೆ ?
- c) ಕಂತು ಕೊಳ್ಳುವಿಕೆ ಪದ್ಧತಿಯ ಎರಡು ಲಕ್ಷಣಗಳನ್ನು ತಿಳಿಸಿ.
- d) ಮುಂಗಡ ಹಣ ಎಂದರೇನು ?
- e) ಪ್ರಾರಂಭಿಕ ರೋಜು ದಾಖಲೆ ಎಂದರೇನು ?
- f) ಸಂಯೋಜನ ಸಂಸ್ಥೆಯಲ್ಲಿ ಸುನಾಮವನ್ನು ಹೇಗೆ ಪ್ರತಿಪಾದಿಸುವಿರಿ ?