

Integrated LL.B. Sem.-2 Examination

IL BCom. - 109

Financial A/c. - Paper-II

Time : 2-00 Hours]

July 2021

[Max. Marks : 60

INSTRUCTION : Attempt any three questions from the following:

(20)

Q.1 Neela Traders of Ahmedabad consigned 40 air-conditioner sets to Mehta of Mumbai at an invoice price of Rs. 50,000 each On 1-4-2019. The invoice price is fixed after adding 25% on cost price. Neela Traders paid Rs. 6000 for freight and insurance, while sending the goods.

On 1-4-2019 Neela Traders drew a bill of Rs. 6,00,000 for three months on Mehta, which was, immediately returned by the latter, duly accepted. Neela Traders discounted this bill in a bank on 4-5-2019, at 12% discount per annum.

Mehta is entitled to get general commission at the rate of 5% and del credere commission at the rate of 2%.

On 31-3-2020 Mehta sent an account sale and a bank draft for the amount due from him. He reported in the account sale that :

- (i) He paid Rs. 4,000 for octroi, Rs. 6,000 for carriage and Rs. 17,500 for advertisement.
- (ii) He sold 20 air conditioner sets at the rate of Rs. 52,000 each for cash.
- (iii) He sold 8 air conditioner sets at the rate of Rs. 60,000 each to Alka on credit.
- (iv) He purchased one air conditioner set for his personal use, at the invoice price.
- (v) Alka was declared insolvent and 80 paise in a rupee could be recovered from him as a final dividend.
- (vi) During the course of the year, fire took place in his godown and one air conditioner set was completely destroyed, against which the insurance company accepted a claim of Rs.36,000.

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(vii) Out of the unsold air conditioner sets, two sets were damaged and 3200 were estimated as repairing expense to make them saleble.

From the above particulars prepare Consignment Account and Mehta's Account in the books of Neela Traders.

Q.2 Hiren Electricals of Rajkot has a Branch at Rajkot. Head Office (20) sends goods to Rajkot Branch at cost price. Branch sells the goods on cash and on credit. The head office meets all the expenses except petty expenses of branch and collects cash from the branch daily.

From the following information of the branch for the year ended 31st March, 2020, prepare Branch Account, Petty cash Account, Debtors Account, Trading and Profit and loss account.

Stock (1-4-2019)	30,000
Stock (31-3-2020)	40,000
Debtors (31-3-2020)	60,000
Furniture (1-4-2019)	30,000
Petty cash (31-3-2020)	1,000
Goods sent to branch	2,40,000
Petty cash sent to branch	4,000
Cash sales (40% of Total sales)	1,63,200
Petty expenses by branch	5,000
Cash received from debtors	2,24,800
Goods returned by debtors	8,000
Goods returned by branch	10,000
Discount allowed to debtors	4,000
Bad debts written off	8,000

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Expenses paid by H.O. on behalf of branch :

Salaries and wages	30,000
Rent and rates	20,000
Other expenses	10,000

Provide 10% depreciation on furniture.

Q.3 Fire occurred in the godown of Dhiren Bros. of Mumbai on 31st January, 2020 and totally destroyed the stock. From the available records, the following information is given to you for preparation a statement of claim to be presented to the Insurance Company : (20)

The stock on hand has always been valued at 10% below cost:

	2008 Rs.	2009 Rs	2010 Rs.	2011 Rs.
Opening stock	54,180	64,800	72,000	73,800
Net Purchases	1,49,800	1,60,000	1,60,000	12,000
Net sales	2,40,000	2,64,000	2,80,000	24,000
Wages	34,800	38,000	41,800	4,000
Closing stock	64,800	72,000	73,800	-

Prepare the statement of claim, showing your working. Closing stock was always valued at 10% below cost.

Q.4 The following is the Balance Sheet of Mehul Bros. as at 31-3-2020 : (20)

31-3-2020 :

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Balance Sheet

Liabilities	Rs.	Assets	Rs.
Capital Account :		Patent	9,000
P 1,50,000		Goodwill	21,000
Q <u>90,000</u>	2,40,000	Machinery	1,68,000
General Reserve	12,000	Motor car	45,000
Creditors	30,000	Stock	30,000
Bank loan	36,000	Cash and Bank	30,000
Bills Payable	24,000	Prepaid expenses	15,000
		Advertisement	24,000
		Suspense A/c	
	3,42,000		3,42,000

On 1-4-2020 Karan Ltd. Purchases the business on following conditions :

- (1) The purchase consideration was fixed at Rs. 2,40,000.
- (2) Purchase consideration is to be paid in 15,000 Equity shares of Rs.10. each at a price of Rs. 15 and the remaining amount to be paid in cash.
- (3) The company has not taken over Motor car and Bills payable.
- (4) The Machinery is valued at Rs. 1,50,000.
- (5) The remaining 15,000 equity shares are issued by the company to the public at a premium of Rs. 5 each.

Draft journal entries in the books of company and prepare its Balance Sheet as on 1-4-2020.

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Q.5 (a) Write difference between Consignment and sales. (10)

Q.5 (b) Nikhil and Pravin enter in to a joint venture as a dealer in land. (10)
They agreed to share profit and loss in the ratio 4 : 1. They deposited 5,00,000 and 7,00,000 respectively in their joint bank account.

They purchased plot of Land measuring 10,000 sq. meter at a cost of Rs.105 per square meter.

They paid following expenses from the joint bank account :

Registration charges	44,000
Stamp duty	30,000
Legal adviser's fees	5,000
Miscellaneous expenses	8,500
Brokerage	24,000

They prepared a plan for selling the plot of land. In the said 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 in to 25 plots of equal size.

15 plots were sold by Nikhil for Rs.300 per sq. meter and remaining plots were sold by Pravin for Rs. 325 per sq. meter. Both are entitled for 5% commission on sales.

Prepare :

- (1) Joint venture account
- (2) Joint bank account
- (3) Capital account

Q.6 (a) Explain Average clause in details. (10)

Q.6 (b) What is the meaning of Business purchase? Write journal entries related to the purchasing company. (10)
