



**B.Com. IV - Semester Degree Examination, June - 2018**

**COMMERCE**

**Financial Accounting - IV**

**(Old)**

Time : 3 Hours

Maximum Marks : 80

**Section - A**

Answer any **Ten** of the following :

**(10×2=20)**

1. What is performing asset?
2. State four items of provisions and contingencies of a Bank.
3. Define Goodwill.
4. Mention the two types of goodwill.
5. State any objectives of self balancing ledger system.
6. Give two names of general ledger.
7. Who is solvent?
8. Mention two insolvency acts which govern the insolvency proceedings in India.
9. What is memorandum trading account?
10. What do you mean by Bonus shares?
11. What is Fire insurance?
12. What is deficiency account?

**Section - B**

Answer any **Three** of the following :

**(3×5=15)**

13. Define N.P.A. How do you classify assets of a bank?
14. A has been adjudged as insolvent on January 2018 his creditors are as follows sundry creditors, Rs. 1,00,000 Income tax Rs. 1200, municipal Tax Rs. 1000, salary for 4 clerks 4 months Rs.4000 wages for 3 workers for 4 month Rs. 700, Rent due to landlord for 3 months Rs. 3000, private loan Rs. 10,000, loan from wife (streedhan) Rs. 5000.  
Find out the amount due to unsecured creditors and preferential creditors under the provisions of presidency Town insolvency Act 1909.
15. The profits of X,Y,Z partnership firm for the past 5 years was as follows :

Year	Profit (Rs.)
2013	180000
2014	120000
2015	144000
2016	132000
2017	144000

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It was decided to value the goodwill of the firm at 3 years purchase of the average profits of the past five years under simple Average profits methods find the value of goodwill.

16. A fire occurred on 20.4.2017 in the premises of a company and stock in trade was destroyed. The following information is available opening stock on 01.01.2017 Rs. 22,000.

Purchase upto 20.4.2017 Rs. 90,000

Sales upto 20.4.2017 Rs. 1,20,000

The closing stock on 31.12.2016. was valued at market price which is 10% above cost.

The usual percentage of gross profit in the business was 15% on sales salvage stock was valued at Rs. 800. Calculate fire claim.

17. What are the methods of valuation of shares of a company?

**Section - C**

Answer any **three** of the following :

**(3×15=45)**

18. From the following prepare the profits and loss account of swathi Bank Ltd. For the year ending 31.3.2018 and the necessary schedules :

Interest & Discount	2,30,000
Income on investment	20,000
Interest on balances with RBI	10,000
Commission, exchange & Brokerage	80,000
Profit on sale of investments	10,000
Interest on deposits	65,000
Payments & provisions for employees	70000
Rent taxes of lighting	20000
Printing and stationery	15000
Advertisement & publicity	6000
Depreciation on banks property	4000
Directors fees allowances & expenses	12000
Audit fees & allowances	8000
Law charges	5000
Postage telegrams etc	2000
Repairs & maintenance	7000
Insurance	1000

**Other information :**

- provide for bad and doubtful debts Rs 6000
- provide for profit to be transferred to statutory reserve
- provide for rebate on bills discounted Rs 4000
- 25% of profit to be transferred to statutory reserve
- The directions have proposed a dividend of RS 20000



f) Provide tax on dividend at 15%

19. The following was the balance sheet of ram and Rahim as 31.03.18

Liabilities	Rs.	Assets	Rs.
Rams capital	20000	buildings	35000
Rahims capital	20000	machinery	15000
Sundry creditors	29200	Furniture	2000
bills payable	26000	stocking trade	39200
Bank overdraft	24000	Sundry debtors	
Rent for five months	1000	Good	16000
Salaries to clerks for months	1000	Doubtful	10000
salary to clerks for me		Bad	3000
months		Cash	1000
	<b><u>1,21,000</u></b>		<b><u>1,21,000</u></b>

The assets were estimated as below

Buildings	15000
Machinery	10000
Furniture	1500
Sundry debtors Good	16000
Doubt ful	5000
Stock in Trade	12700

Ram's Individual liabilities were Rs. 30,000 and in addition to his investment in the firm, he had a house which cost of Rs. 7000; furniture Rs. 1000; and life policies on which he had paid a premium of Rs. 2000. Rahim's individual liabilities were Rs. 25,000 and furniture which cost Rs. 3200; and paid life insurance premium of Rs. 1800. The bankers for overdraft held the deads of Ram's house and his life policies. It become necessary to call the creditors together.

Ram's house was estimated at 3500 his life policies Rs. 1500 and his furniture Rs. 500.

Rahim's life policies were worth Rs. 1200 and his furniture Rs. 1000.

Prepare statement of affairs and deficiency account of the firm.

20. Mr. Avinash of Raichur maintaining ledgers namely Debtors ledger, creditors ledger and General ledger on self balancing. From the following particulars prepare the Debtors ledger Adjustment A/C and creditors ledger Adjustment account as they would appear in General ledger.

Debtors balance on	1.1.2017 (Dr)	60,000
Debtors Balance on	1.1.2017 (Cr)	1000
Creditors balance on	1.1.2017 (Cr)	40000

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Creditors balance on	1.1.2017 (Dr)	500
Transactions during the year;		
Collection from Debtors by cheque		10,000
In cash		30,000
Bills receivable received from Debtors		10,000
Total sales (including cash sales of Rs. 5000) 40000		
Total Purchase (including cash purchases Rs. 7000) 20,000.		
Bills accepted to creditors		8000
Cash paid to creditors		30,000
Discount allowed to debtors		500
Discount allowed by creditors		200
Provision for bad and doubtful debts		2000
Bad debts		4000
Sales returns		1000
Purchase returns		600
Transfers		5000
Bad debts recovered		2000
Sundry expenses charged to debtors		1000
Sundry expenses charged by creditors		300
Bills receivable dishonoured		1000
Debtors credit balance on 31.12.2018 Rs. 1500		

21. A fire occurred in premises of A & Co. Ltd on 1-9-2017 and the stock of the value of Rs. 101000 was salvaged and the business books and records were saved. The following information was obtained purchases for the year ended 31.3.2017 Rs. 6,80,000.

Sales for the year ended 31.3.2017	Rs. 11,00,000
Purchase from 31.3.2017 to 1.9.2017	Rs. 2,50,000
Sales from 31.3.2017 to 1.9.2017	Rs. 3,60,000
Stock on 31.3.2016	Rs. 3,00,000
Stock on 31.3.2017	Rs. 3,40,000

The further information given is that the stock on 31.3.2017 was over valued by Rs. 20,000. Calculate the amount of claim in April 2017 selling price was lowered by 10%.

22. Explain the factors which will affect the value of Goodwill.

