

**B.Com. (Financial Services) 1<sup>st</sup> Semester**  
**FINANCIAL ACCOUNTING WITH TALLY**  
**Paper—III**

Time Allowed—3 Hours] [Maximum Marks—40

**Note :—** There are *eight* questions. Candidates are required to attempt any *five* questions. All questions carry equal marks.

**SECTION—A**

- Discuss any four concepts of accounting alongwith their implications.
- What is double entry system ? Discuss types of accounts and rules governing them.

**SECTION—B**

- Differentiate between capital, revenue and deferred revenue expenditure. Illustrate your answer.
- Prepare Trading and Profit and Loss Account for the year ended 31 December 2018 and a Balance Sheet as on that date from the following Trial Balance :

Particulars	Dr. (Rs)	Cr. (Rs.)
Capital		20,000
Cash	3,000	
Bank Overdraft		4,000
Purchases and Sales	24,000	30,000
Returns	2,000	4,000
Establishment Expenses	4,400	
Taxes and Insurance	1,000	

Particulars	Dr. (Rs)	Cr. (Rs.)
Bad Debts	1,000	
Provision for Bad Debts		1,400
Debtors and Creditors	10,000	4,000
Commission		1,000
Deposits	8,000	
Opening Stock	6,000	
Drawings	2,800	
Furniture	1,200	
Bills Receivable	6,000	
Bills Payable		5,000
	69,400	69,400

**Adjustments :**

- Salaries Rs. 200 and Taxes Rs. 400 are outstanding but insurance Rs. 100 is prepaid.
- Commission Rs. 200 received in advance for next year.
- Interest Rs. 420 is to be received on deposits and interest on bank overdraft Rs. 600 is to be paid.
- Provision for bad debts is to be maintained at Rs. 2,000.
- Depreciate furniture by 10%.
- Stock on 31<sup>st</sup> December 2018 is Rs. 9,000.

**SECTION—C**

5. What are partnership accounts ? Explain the fixed and fluctuating capital method of preparing partnership accounts.
6. R, S and P are partners in a firm sharing profits and losses in the ratio 3:2:1. Their capitals are : R-Rs. 50,000, S-Rs. 30,000 and P-Rs. 20,000. Their capitals carry interest @9% p.a. R has guaranteed that P's share of profit in any year (including interest on capital) should not be less than Rs. 10,000. R is to get a salary of Rs. 1,200 p.m. For the year ended 31<sup>st</sup> March, 2018 the firm made a profit of Rs. 45,000 before any of the above adjustments. Prepare Profit and Loss Appropriation Account

**SECTION—D**

7. What is Realisation Account ? What accounting entries are passed in the books of a dissolved firm to close its books ? <https://www.gnduonline.com>
8. The following was the Balance Sheet of A and B as on 31<sup>st</sup> March 2018 who were sharing profits and losses in the ratio of 3:2.

**Balance Sheet as on 31<sup>st</sup> March 2018**

Liabilities	Amount (Rs.)
Capital Accounts	
A 18,000	
B 14,000	32,000
General Reserve	9,000
Trade Creditors	19,700
Bank Overdraft	6,100
	<u>66,800</u>

Assets	Amount (Rs.)
Debtors 10,000	
Less provision for bad debts 500	9,500
Furniture	10,000
Machinery	25,000
Stock	22,300
	<u>66,800</u>

On this date C was admitted on the following terms :

- C would get  $\frac{1}{5}$ <sup>th</sup> share of future profits.
- C would bring Rs. 3,000 by way of his share of goodwill and Rs. 15,000 as Capital.
- Provision for bad debts would be reduced to Rs. 350.
- Machinery would be written up by 20%.
- Furniture would be written down to Rs. 9,000.
- Trade Creditors include Rs. 700 not expected to rank.

Pass journal entries, give important ledger accounts and prepare Balance Sheet as it would appear immediately after C's admission.