



WEST BENGAL STATE UNIVERSITY
B.Com. General Part-III Examination, 2021

FINANCIAL ACCOUNTING

PAPER: FACG-III

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words
and adhere to the word limit as practicable.*

*প্রাপ্তিক সীমার মধ্যস্থ সংখ্যাটি পূর্ণমান নির্দেশ করে।
পরীক্ষার্থীরা নিজের ভাষায় যথা সম্ভব শব্দসীমার মধ্যে
উত্তর করিবে।*

All symbols are of usual significance.

Answer any two questions from the following

20×2=40

1. (a) Distinguish between 'Reserve Capital' and 'Capital Reserve'.

4+16

‘সঞ্চিতি মূলধন’ ও ‘মূলধন সঞ্চিতি’-এর মধ্যে পার্থক্য লেখো।

- (b) The following is the Trial Balance of Tupa Ltd. as at 31st March, 2018:

	Dr.	Cr.		Dr.	Cr.
Opening Stock	50,000		Wages & Salaries	37,500	
Purchases and sales	4,30,000	6,30,000	Carriage outward	950	
Furniture	1,10,000		Audit Fees (including Rs. 2,000 paid for other services)	7,050	
Rent	12,000		Debtors	1,27,500	
Profit & Losses (01.04.2017)		17,000	Creditors		92,000
Share Capital		3,00,000	Cash at Bank	46,200	
Plant & Machinery	2,50,000		10% Bank Loan (secured)		9,000
General Reserve		32,200			
Bills Receivable	35,000				
Miscellaneous Receipts		26,500			
Interest on Bank Loan	500				
				<u>11,06,700</u>	<u>11,06,700</u>

Prepare Profit & Loss Account for the year ended 31.03.2018 and Balance Sheet as at that date after taking into consideration the following adjustments:

- Closing Stock is Rs. 90,000
- Rent is paid for 15 months up to 30.06.2018.
- Depreciate furniture @ 10% and Plant & Machinery @ 15%
- A sum of Rs. 4,000 is to be transferred to General Reserve.
- Make a provision for Income Tax @ 40%.
- Provision for Bad debt @ 5% created.

OR / অথবা

- (a) Mention four statutory books to be maintained by a company which are required by the Companies Act, 1956.

6+8+6

কোম্পানী আইন 1956 অনুযায়ী অন্তঃপক্ষে চারটি বিধিবদ্ধ বইয়ের নাম লেখো যা কোম্পানীতে রাখতে হয়।

- (b) Mention four points of difference between Equity Share and Debenture.

সাধারণ শেয়ার ও ঋনপত্রের মধ্যে চারটি পার্থক্য লেখো।

- (c) How do you treat the following items in the Annual Accounts of your company Mehendi Ltd:
- (i) Depreciation appears in the Trial Balance.
 - (ii) Provision for Income Tax appears in the Trial Balance.
 - (iii) Proposed dividend is given for adjustment.

2. (a) Write a note on: IFRS (টীকা লেখোঃ IFRS). 3+7+10
- (b) Mention the benefits of Accounting Standard.
- (c) From the following information, calculate the value of Goodwill by capital of super profit:
- (i) Average capital employed in the business ₹7,00,000.
 - (ii) Net trading profit of the company for the past three years ₹1,47,600; ₹1,48,100 and ₹1,52,500.
 - (iii) Fair remuneration to the partners for their services ₹12,000 p.a.
 - (iv) Rate of interest expected from capital having regard to the risk involved 18%.
 - (v) Sundry assets (excluding goodwill) and sundry liabilities of the company ₹7,54,762 and ₹31,329 respectively.

OR / অথবা

- (a) Mention four (4) items to be shown under the head “Miscellaneous Expenditure” in the Balance Sheet of company. 2+8+10
- কোম্পানীর উদ্ভর্তপত্রে Miscellaneous Expenditure শিরণামে দেখাতে হয় এরূপ চারটি বিষয় উল্লেখ করো।
- (b) Mention eight (8) statutory books which a company is required to maintain as prescribed by Companies Act, 1956.
- 1956 সালের কোম্পানি আইন অনুযায়ী একটি কোম্পানীতে যে-সকল বিধিবদ্ধ বই ব্যবহার করতে হয় তার মধ্যে আটটির নাম উল্লেখ করো।
- (c) From the following information prepare a Company Balance Sheet as per the format given in the Companies Act:

Ledger Balances:

	₹
Equity Share Capital [1000 shares of ₹100 each]	1,00,000
5% Debentures	25,000
Building	70,000
Goodwill	28,000
Bank Overdraft	12,000
Sundry Debtors	20,000
Plant and Machinery	25,000
Sundry Creditors	8,000
Cash and Bank	3,000
Loose Tools	4,100

Additional Information:

- (i) The authorized capital of the company is ₹2,00,000.
- (ii) Closing Stock is ₹35,000.

3. (a) The summarized Balance Sheets of H. Ltd. and S. Ltd. as on 31st March 2018 were given below:

18+2

Particulars	Note No.	H. Ltd. ₹	S. Ltd. ₹
<u>Equity & Liabilities</u>			
Share holders' Fund:			
Share Capital	1	3,00,000	2,50,000
Reserve and Surplus	2	1,50,000	1,00,000
Current Liabilities:			
Trade Payables		2,00,000	1,50,000
Total		6,50,000	5,00,000
<u>Assets</u>			
Non-Current Assets:			
Tangible assets		2,00,000	1,60,000
Intangible assets		-	10,000
Investment		1,80,000	60,000
Current Assets:			
Inventories		1,20,000	1,70,000
Trade Receivables		1,30,000	70,000
Cash		20,000	30,000
Total		6,50,000	5,00,000

Notes to Accounts:

- (i) Equity shares of ₹10 each; H. Ltd. ₹3,00,000; S. Ltd. ₹2,50,000
(ii) Reserve and Surplus:
General Reserve: H. Ltd. ₹1,00,000; S. Ltd. ₹40,000
P & L Account: H. Ltd. ₹50,000; S. Ltd. ₹60,000

H. Ltd. acquired 80% shares of S. Ltd. on 31st March, 2018.

Prepare a consolidated Balance Sheet as on 31st March, 2018 taking account the following:

- (i) Trade payables of H. Ltd. include an amount of Rs. 6,000 for purchase of goods from S. Ltd. which are still unsold. S. Ltd. sold the goods at a profit of 20% on cost.

- (b) What is pre-acquisition profit?

প্রাক-অধিগ্রহণ মুনাফা কি ?

OR / অথবা

The summarised Balance Sheets of X. Ltd. and Y. Ltd. as on 31st March, 2018 was given below:

20

Particulars	Note No.	X. Ltd. ₹	Y. Ltd. ₹
Share holders' Fund:			
Share Capital	1	10,00,000	4,00,000
Reserve and Surplus	2	9,00,000	3,00,000
Current Liabilities:			
Trade Payables		1,00,000	2,00,000
Total		20,00,000	9,00,000

<u>Assets</u>		
Non-Current Assets:		
Tangible assets	9,00,000	4,00,000
Intangible assets	1,00,000	-
Investment	4,00,000	-
Current Assets:		
Inventories	2,00,000	2,50,000
Trade Receivables	3,00,000	1,80,000
Cash	1,00,000	70,000
Total	20,00,000	9,00,000

Notes to Accounts:

- (i) Share Capital:
Equity Shares of ₹100 each fully paid
- (ii) Reserve and Surplus:
General Reserve: X Ltd. ₹2,00,000 (1.4.2017)
P & L Account: X Ltd. ₹2,00,000 (1.4.2017)
Profit during the year of X Ltd. ₹4,00,000
General Reserve: Y Ltd. ₹1,00,000
P & L A/C: Y Ltd. ₹2,00,000

X Ltd. acquired 3,000 shares of Y Ltd. on 1st July, 2017.

Prepare consolidated Balance Sheet as on 31st March 2018 taking into account the following:

- (i) Trade Payables of X Ltd. include an amount of ₹25,000 for purchase of goods from Y Ltd. which is still unsold. Y Ltd. sold the goods at a profit of 25% on sales.
- (ii) The directors of both the companies proposed a dividend of 10% on equity share capital.

Answer any *one* question from the following

10×1=10

4. X Ltd. absorbed the business of Y Ltd. on 31st December, 2018, the Balance Sheet of the latter company on that date being as under: 2+2+6

Balance Sheet of Y Ltd. as on 31.12.2018

Liabilities	₹	Assets	₹
Issued and Paid up Capital:		Goodwill	1,00,000
80,000 Equity Shares of ₹10 each	8,00,000	Land & Building	4,00,000
General Reserve	60,000	Sundry Debtors	1,00,000
Sundry Creditors	60,000	Stock in Trade	70,000
Bills Payable	40,000	Cash at Bank	60,000
		Profit & Loss A/c	30,000
	9,60,000		9,60,000

The terms of agreement were:

- (i) That for every 20 Equity Shares of Y Ltd., X Ltd. issued 24 fully paid Equity Shares of ₹10 each and paid ₹10 in cash.

- (ii) That all assets and liabilities were taken over except cash to the extent of ₹10,000 which was left for meeting realisation expenses.
- (iii) The Plant and Machinery were revealed at ₹3,20,000 and other assets and liabilities remaining at their book values.

You are required to:

- (i) Calculate the Purchase Consideration
- (ii) Calculate the Goodwill/Capital Reserve
- (iii) Prepare the Opening Balance Sheet of X Ltd.

OR / অথবা

The following is the Balance Sheet of B. Ltd. as at 30.06.2018:

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Liabilities	₹	Assets	₹
20,000 Equity Shares of ₹10 each, fully paid	2,00,000	Buildings	2,00,000
10% Preference Shares of ₹100 each, fully paid	50,000	Machinery	1,30,000
8% Debentures	1,00,000	Patents	40,000
Trade Creditors	3,30,000	Inventories	80,000
Creditors	20,000	Debtors	55,000
		Preliminary expenses	10,000
		Profit and Loss Account	1,85,000
	7,00,000		7,00,000

With a view to reconstructing the company, it is proposed:

- (a) to reduce (i) Equity shares by ₹9 each, (ii) 10% Pref. shares by ₹40 each, (iii) 8% debentures by 10%, (iv) trade creditors claims by one-third, (v) machinery to ₹70,000 and (vi) inventories by ₹10,000;
- (b) to provide ₹15,000 for bad debt;
- (c) to write off all the intangible assets, and
- (d) to raise the preference share dividend to 13% and the rate of debenture interest to 13.5%.

Pass the Journal entries to give effect to the above and show the balance sheet as revised after the above entries.

5. (a) What are the limitations of the Current Purchasing Power (CPP) method?

4+(2+4)

চলতি ক্রয় ক্ষমতা ভিত্তিক হিসাব পদ্ধতির সীমাবদ্ধতা গুলি কি কি ?

- (b) What is a Current Cost Accounting? Discuss the features of Current Purchasing Power (CPP) method.

চলতি ক্রয়-ভিত্তিক হিসাব ব্যবস্থা কি ? চলতি ক্রয়-ক্ষমতা পদ্ধতির বৈশিষ্ট্যগুলি আলোচনা করো।

OR / অথবা

Write short notes on:

3+4+3

- (a) Matching Concept / ম্যাচিং ধারণা
- (b) Stock Flow Concept / মজুত প্রবাহ ধারণা
- (c) GAAP.

6. (a) What is meant by Comparative Financial Statements?

1+4+5

তুলনামূলক আর্থিক বিবরণী বিশ্লেষণ বলতে কি বোঝায় ?

(b) State the limitations of Comparative Financial Statements.

তুলনামূলক আর্থিক বিবরণী বিশ্লেষণ পদ্ধতির অসুবিধাগুলি আলোচনা করো।

(c) Prepare a Comparative Income Statement from the following information:

	2017	2018
	₹	₹
Gross Sales	1,20,200	1,35,800
Sales Returns	5,200,	3,800
Cost of goods sold	80,000	84,000
Operating Expenses	12,000	9,000
Financial charges	10,000	10,000

OR / অথবা

(a) Mention the main objectives of Financial Statement Analysis.

2+2+6

আর্থিক বিবরণী বিশ্লেষণের প্রধান উদ্দেশ্যগুলি উল্লেখ করো।

(b) Discuss the limitations of Financial Statement Analysis.

আর্থিক বিবরণী বিশ্লেষণের সীমাবদ্ধতাগুলি আলোচনা করো।

(c) Following are Summarized Balance Sheets of S. R. Ltd. Prepare Comparative Balance Sheet

Liabilities	2017	2018	Assets	2017	2018
	₹	₹		₹	₹
Share Capital	75,000	90,000	Fixed Assets	1,24,500	1,15,500
Reserve and Surplus	15,000	22,500	Current Assets	66,000	82,500
Loans	42,000	30,000			
Current Liabilities	58,500	55,500			
	1,95,000	1,98,000		1,95,000	1,98,000

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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