Roll No. ....

Subject Code—2171

B.B.A. (Second Year) EXAMINATION

(New Scheme)

BBA-204

FINANCIAL ACCOUNTING–II

Time : 3 Hours *Maximum Marks :* 100

Note : Attempt any *Five* questions. All questions carry equal marks.

1. Shri Mehta of Bombay consigns 1000 cases of goods costing Rs. 100 each to Shri Sundaram of Madras. Shri Mehta pays the expenses in connection with consignment : Carriage Rs. 1,000; Freight Rs. 3,000; Loading Charges Rs. 1,000. Sri Sundaram sells 700 cases at Rs. 140 per case and incurs the following expenses : Clearing charges Rs. 850; Warehousing and storage Rs. 1,700; Package and selling

Expenses Rs. 600. It is found that 50 cases have been lost in transit and 100 cases are still in transit. Sri Sundaram is entitled to a commission of 10% on gross sales. Draw up the Consignment Account and Sundaram's Account in the book of Sri Mehta.

2. A and B entered into joint venture to construct a building for Rs. 10,00,000 payable in cash. A joint account was opened. A and B deposited Rs. 2,50,000 and Rs. 1,50,000 respectively. The profit or loss was to be shared in 2 : 1 ratio after providing interest at 10% on money deposited into bank by A and B. Details of transactions are : Purchase of plant and machinery Rs. 5,00,000; Wage paid Rs. 3,00,000; Materials supplied by A Rs. 70,000; Material supplied by B Rs. 40,000.

Contract was completed and price was duly received. B took over material for Rs. 31,000 and joint venture was closed. Prepare necessary accounts.

3. (a) Why is it necessary to revalue the assets and liabilities in case of admission of a new partner ?

   (b) Distinguish between Revaluation Account and Memorandum Revaluation Account.

4. (a) Distinguish between dissolution of partnership and dissolution of firm.

   (b) Distinguish between Revaluation Account and Realisation Account.

5. X Ltd. issued 2000 equity shares of Rs. 10 each at a premium of Rs. 2 per share payable as under :

   On application Rs. 2 per share, on allotment Rs. 5 per share (including premium), on first call Rs. 3 per share, on second call Rs. 2 per share, Mr. X was allotted 40 shares. Give the necessary journal entry relating to the forfeiture of share in each of the following alternatives :

   Case I : If Mr. X failed to pay allotment money and his share was forfeited.

Case II : If Mr. X failed to pay money and on his subsequent failure to pay first call, his shares were forfeited.

Case III : If Mr. X failed to pay the first call and on his subsequent failure to pay the final call, his shares were forfeited.

6. Describe the various methods of redemption of debentures.

7. Show the pro forma of Balance Sheet of a company as per schedule VI Part I of the Company Act. Take imaginary figures.

8. The following was the balance-sheet of Continental Construction Ltd. as on 31st Dec. 2006 :

Liabilities	*Rs.*	*Assets*	*Rs.*
Authorised Capital :		Goodwill	10,000
20000 equity		Land & Building	20,500
shares of Rs. 10		Machinery	50,850
each	2,00,000	Stock	10,275

Issued, subscribed & paid up capital :			Preliminary Exp.		1,500
1200 shares of Rs. 10 each	1,20,000		Book Debts		15,000
Less : Call in arrear (Rs. 3 per share on 3000 share)	9,000	1,11,000	Cash at Bank		1,500
Sundry Creditors		15,425	P & L Account Balance Sheet as per last balance sheet	22,000	
Provision for taxes		4,000	Less profit for year	2,100	20800
		1,30,425			1,30,425

The director have had a valuation mode of the machinery and find it overvalued by Rs. 10,000. It is proposed to write down this assets to its true value and to extinguish the deficiency in the Profit and Loss Account and to write off goodwill and preliminary expenses. by adoption of the following :

(1) Forfeit the share on which the call is outstanding

(2) Reduce the paid up capital by Rs. 3 per share.

(3) Reissue the forfeited share at Rs. 5 per share.

(4) Utilise the provision for taxes if necessary.

The share on which the calls were in arrear were duly forfeited and reissued on payment of Rs. 5 per share. You are required to draft the journal entries necessary and balance sheet of the company after carrying out terms of the scheme as set above.

9. State the various accounting entries to be passed in the book of the vendor company in the event of its business being taken over by another company.

10. Write a detailed note on co-operative accounting in India.