

NEP - Semester End Examination – October 2025

Program: S.Y.B.COM(A&F) III Course: FINANCIAL ACCOUNTING-III

Program Code: UGAF03 Course Code: NUAF301

Duration: 2 Hour

Max. Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

Q. 1		[15]	Course Outcome	Knowledge Level																																
	<p>(a) Fill in the blanks with an appropriate answer from the alternatives given.</p> <p>I) A &amp; B share profits in the ratio 3:2. They admit C for 1/5th share. New ratio becomes 5:3:2. then sacrificing ratio is ----</p> <table border="1" data-bbox="313 913 1078 1050"> <tr> <td>a.</td> <td>3:2</td> <td>b.</td> <td>2:1</td> </tr> <tr> <td>c.</td> <td>4:1</td> <td>d.</td> <td>5:3</td> </tr> </table> <p>II) X and Y share profits equally. Z is admitted for 1/4th share. Goodwill of the firm is valued at Rs.40, 000. Z brings his share of goodwill in cash. How much will he bring?</p> <table border="1" data-bbox="313 1218 1078 1354"> <tr> <td>a.</td> <td>Rs.10,000</td> <td>b.</td> <td>Rs.15,000</td> </tr> <tr> <td>c.</td> <td>Rs.8,000</td> <td>d.</td> <td>Rs.20,000</td> </tr> </table> <p>III) A, B, and C have capitals Rs.60, 000, Rs.40, 000, Rs.20, 000. Profit-sharing ratio 3:2:1. First realization is Rs.30, 000. How much will A get under Maximum Loss Method?</p> <table border="1" data-bbox="313 1522 1078 1659"> <tr> <td>a.</td> <td>Rs.15,000</td> <td>b.</td> <td>Rs.10,000</td> </tr> <tr> <td>c.</td> <td>Rs.12,000</td> <td>d.</td> <td>Rs.20,000</td> </tr> </table> <p>IV) Company A Ltd. has Assets = Rs.5,00,000; Liabilities = Rs.2,00,000. B Ltd. has Assets = Rs.3,00,000; Liabilities = Rs.1,00,000. They amalgamate to form C Ltd. Net Assets = ?</p> <table border="1" data-bbox="313 1827 1078 1963"> <tr> <td>a.</td> <td>Rs.5,00,000</td> <td>b.</td> <td>Rs.7,00,000</td> </tr> <tr> <td>c.</td> <td>Rs.6,00,000</td> <td>d.</td> <td>Rs.8,00,000</td> </tr> </table> <p>V) Assets = Rs.6,00,000; Liabilities = Rs.1,50,000. Company takes over at book values. Net Assets = ----</p>	a.	3:2	b.	2:1	c.	4:1	d.	5:3	a.	Rs.10,000	b.	Rs.15,000	c.	Rs.8,000	d.	Rs.20,000	a.	Rs.15,000	b.	Rs.10,000	c.	Rs.12,000	d.	Rs.20,000	a.	Rs.5,00,000	b.	Rs.7,00,000	c.	Rs.6,00,000	d.	Rs.8,00,000	(08)	CO1 CO2 CO3 CO4	L1
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		a.	Rs.4,50,000	b.	Rs.6,50,000		
		c.	Rs.7,50,000	d.	Rs.5,20,000		
	VI)		Profit-sharing ratio after admission of a partner is called----				
		a.	Old ratio	b.	Sacrificing ratio		
		c.	New ratio	d.	Gaining ratio		
	VII)		Piecemeal distribution of cash among partners is made according to-----				
		a.	Profit-sharing ratio	b.	Capital ratio		
		c.	Order of repayment	d.	Maximum Loss Method or Proportionate Capital Method		
	VIII)		Amalgamation means----				
		a.	Dissolution of a company	b.	Reconstruction of a company		
		c.	Combination of two or more companies into a new entity	d.	Liquidation of company		
	(b)	<b>State whether the following statements are true or false.</b>				(07)	
		I)	Goodwill brought in by a new partner is credited to sacrificing partners' capital accounts.				
		II)	In admission of a partner, the new partner always brings goodwill in cash.				
		III)	In piecemeal distribution, outside liabilities are paid before partners' capital.				
		IV)	Piecemeal distribution is applicable only when all assets are realized at once				
		V)	Amalgamation in the nature of purchase is accounted for under purchase method				
		VI)	On conversion, goodwill of the firm is always written off.				
		VII)	Maximum Loss Method assumes the worst case of realization of remaining assets.				
<b>Q. 2</b>	<b>Attempt any ONE of the following.</b>				[15]	<b>Course Outcome</b>	<b>Knowledge Level</b>

CO1  
CO2  
CO3  
CO4

L1

(a)

Raja and Rani were in partnership firm sharing profits in the ratio 3:2. On 1<sup>st</sup> October, 2016 Rinky admitted firm for one fifth of profits. She brought in Rs.1, 00,000 in cash of which Rs. 30,000 were considered as being goodwill and remainder as his capital.

Particulars	Debit(Rs)	Credit(Rs)
Bills Receivable and payable	1,00,350	59,750
Opening stock	1,98,625	
Reserves for D.D		26,000
Debtors and creditors	2,01,000	1,27,620
Bad Debts	2,000	
Loan at 5% given on 30 <sup>th</sup> November,2016	30,000	
Prepaid Insurance	1,200	
Outstanding Wages		10,500
Purchases and Sales	8,58,125	13,13,250
Returns	26,250	20,625
Wages	85,875	
Salaries	48,975	
Machinery	25,000	
Patents	77,000	
Postage and Insurance	16,200	
Trade Expenses	13,450	
Rent	21,000	
Capital:		
Raja		75,000
Rani		50,000
Cash paid by Rinky 1 <sup>st</sup> Oct,2016		1,00,000
Current Account:		
Raja	25,000	
Rani	20,000	
Rinky	10,000	
Cash in hand	22,200	

CO1

L3

	<p><b>Additional Information:</b></p> <ol style="list-style-type: none"> <li>1) Closing stock Rs.1, 00,000.</li> <li>2) Machinery is depreciated @ 10% p.a</li> <li>3) Reserves for doubtful debts to be maintained at 5%.</li> <li>4) Goods to the value of Rs. 4,000 have been destroyed by fire and the insurance company had admitted the claim for Rs. 3,000 only.</li> <li>5) 20% of the patents are to be write off.</li> <li>6) The gross profit for the year is to be allocated in ratio of time between the period before the admission and the period after the admission.</li> </ol> <p>Prepare the final Account for the year ending as on 31<sup>st</sup> March, 2017.</p>																																											
	<b>OR</b>																																											
(b)	<p>Ritu, Nitu and Ribu are partners sharing profits and losses in the ratio of 4: 2: 1. They decided to dissolve the partnership as on 31<sup>st</sup> March, 2017 when their Balance Sheet was as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Rs.</th> <th style="width: 30%;">Assets</th> <th style="width: 15%;">Rs.</th> </tr> </thead> <tbody> <tr> <td>Creditors</td> <td>11,600</td> <td>Cash in Hand</td> <td>340</td> </tr> <tr> <td>General</td> <td>18,900</td> <td>Investment</td> <td>30,000</td> </tr> <tr> <td>Reserves</td> <td>32,500</td> <td>Stock</td> <td>1,28,300</td> </tr> <tr> <td>Bank Overdraft</td> <td></td> <td>Debtors</td> <td>45,400</td> </tr> <tr> <td>Capital:</td> <td></td> <td>Machinery</td> <td>32,600</td> </tr> <tr> <td>Ritu</td> <td>80,000</td> <td>Furniture</td> <td>4,900</td> </tr> <tr> <td>-Nitu</td> <td>1,60,000</td> <td>Building</td> <td>1,91,460</td> </tr> <tr> <td>-Ribu</td> <td>1,30,000</td> <td></td> <td></td> </tr> <tr> <td></td> <td><b>4,33,000</b></td> <td></td> <td><b>4,33,000</b></td> </tr> </tbody> </table> <p>All Creditors have to be paid off. Rs. 2,400 have to be provided for Realization expenses. Thereafter All cash received should be distributed among the partners. The Amounts were realized as follows: 1<sup>st</sup> Instalment: Rs. 30,000 2<sup>nd</sup> Instalment Rs. 36,000 3<sup>rd</sup> Instalment Rs. 2,10,000 4<sup>th</sup> Instalment Rs. 92,000 The actual realization expenses were Rs. 1,200. Prepare a statement Showing distribution of cash as per Excess Capital Method.</p>	Liabilities	Rs.	Assets	Rs.	Creditors	11,600	Cash in Hand	340	General	18,900	Investment	30,000	Reserves	32,500	Stock	1,28,300	Bank Overdraft		Debtors	45,400	Capital:		Machinery	32,600	Ritu	80,000	Furniture	4,900	-Nitu	1,60,000	Building	1,91,460	-Ribu	1,30,000				<b>4,33,000</b>		<b>4,33,000</b>		<b>CO2</b>	<b>L3</b>
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<b>Q. 3</b>	<b>Attempt any ONE of the following.</b>	<b>[15]</b>	<b>Course Outcome</b>	<b>Knowledge Level</b>																																								
(a)	<p>Prem, Ratan and Dhyam carrying on business in partnership decided to dissolve it on and from 31<sup>st</sup> March,2017. The following is their balance sheet on that date:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Rs.</th> <th style="width: 30%;">Assets</th> <th style="width: 15%;">Rs.</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Liabilities	Rs.	Assets	Rs.						<b>CO1</b>	<b>L1 – L3</b>																																
Liabilities	Rs.	Assets	Rs.																																									

Creditors	20,000	Fixed Assets	80,000
Capital:		Current Assets	44,000
-Prem	30,000	Bank	26,000
-Ratan	15,000		
-Dhyan	25,000		
General Reserves	30,000		
Mr. Prem Loan	10,000		
Mr. Ratan Loan	20,000		
	<b>150000</b>		<b>150000</b>

It was decided that after keeping aside an amount of Rs. 4,000 for estimated realization expenses, the available funds should be distributed amongst the partners as and when realized.

The following were the realizations:

April, 2017 (First): Rs. 30,000 May (Second): Rs. 76,000

June 2017 (Third): Rs. 44,000. Actual realization expenses amounted to Rs. 4,400.

You are requested to submit a statement showing distribution of cash amongst the partners under Excess Capital Method.

OR

- (b) Vishwani, Jayshree, Muskan who are partners in a firm and share profit and losses in the ratio 2:2:1. They decided to sell their firm into a limited company to VJM Co. Ltd. The following is the Balance sheet on the date of conversion.

Liabilities	Rs.	Assets	Rs.
Capital A/c		Building	1,50,000
Vishwani	2,00,000	Machinery	50,000
Jayshree	2,00,000	Motor Van	50,000
Muskan	1,00,000	Furniture	10,000
Creditors	96,000	Stock	1,20,000
Bills payable	6,000	Sundry Debtors	1,05,000
General Reserve	25,000	Investments	42,000
		Bank	1,00,000
	<b>6,27,000</b>		<b>6,27,000</b>

The VJM Co. Ltd. agreed to takeover following assets at values shown below:

Rs.	
Building	1,90,000
Machinery	70,000

L3

CO4

	<p>Furniture 14,000          Stock 1,50,000          Goodwill 60,000</p> <p>Sundry debtors subject to 20% RDD. The company also agreed to takeover sundry creditors at Rs. 82,000. The purchase consideration was paid by the company by issue of sufficient no. of equity shares of Rs. 100 each fully paid at par. The firm sold investment for Rs. 50,000 and paid off bills payable fully. The motor car was taken over by Vishwanat book value. The firm paid realization expenses of Rs. 20,000. Equity shares received from the company were distributed amount partners in their last capital proportion.</p> <p><b>You are required to calculate:</b></p> <ol style="list-style-type: none"> <li>1) Purchase Consideration</li> <li>2) Close the books of old partnership firm.</li> <li>3) Prepare Balance sheet of the new company as per the revised Scheduled VI.</li> </ol>			
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<b>Q. 4</b>	<b>Attempt any ONE of the following.</b>	<b>[15]</b>	<b>Course Outcome</b>	<b>Knowledge Level</b>
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<b>(a)</b>	The following is the Trial Balance of a firm as on 31 <sup>st</sup> March, 2018:																																																																																																
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<p>On 1<sup>st</sup> October, 2017, 'Aarav' retired and the following adjustments were agreed upon:</p> <ol style="list-style-type: none"> <li>1. Goodwill of Rs. 1, 80,000 was raised into the books of A/c</li> <li>2. Furniture worth Rs. 40,000 was purchased on 30th June, 2017 but the invoice was not recorded in the books.</li> <li>3. Balance in Aarav's Account after making all adjustments was to be transferred to his loan account carrying interest @ 16%</li> </ol>																																																																																																	

	<p>4. Closing stock was valued at Rs. 84,000</p> <p>5. Depreciate machinery by 10%, Premises by 5% and furniture by 5% p.a.</p> <p>6. Provide interest on capital at 10%. Prepare Trading and Profit &amp; loss account for the year ended 31-03-2018 and a balance Sheet as on that date.</p>			
	<b>OR</b>			
	<b>(b) Write Short Notes on: (Any Three)</b>	<b>[15]</b>		
	1) Piecemeal Distribution		<b>CO1</b> <b>CO2</b>  <b>CO3</b> <b>CO4</b>	<b>L4</b>
	2) Excess Capital Distribution			
	3) Explain Balance Sheet			
	4) Advantages of Amalgamation			
	5) Purchase Consideration			

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