



WEST BENGAL STATE UNIVERSITY

B.Com. General Part-III Examination, 2022

FINANCIAL ACCOUNTING

PAPER: FACG-III

Time Allotted: 3 Hours

Full Marks: 100

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

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

All symbols are of usual significance.

1. (a) State two items not credited to Capital Reserve. 2
মূলধনী সঞ্চিতে অন্তর্ভুক্ত হয় না এইরূপ দুটি বিষয়ের উল্লেখ করো।
- (b) From the following Trial Balance and information, prepare Profit & Loss Statement of Baibhav Limited for the year ended 31st March, 2017 and a Balance Sheet as on that date. 16

Trial Balance as on 31st March, 2017

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
Opening Inventories	30,200	Sales	3,34,400
Purchases	1,89,000	Return	3,000
Wages	61,800	Provision for doubtful debt	6,400
Telephone charges	15,000	Trade Payables	71,200
Furniture	25,000	Share Capital	1,60,000
Machinery	36,000	Discount	2,560
Motor Car	20,480		
Electricity	6,360		
Rent @ Rs. 900 p.m.	8,100		
Printing and Stationery	10,400		
Fixed deposit (at 10% p.a.)	50,000		
Trade Receivables	84,000		
Discount	2,800		
Insurance Premium	9,600		
Bad Debts	1,000		
Cash in hand & at Bank	27,820		
	5,77,560		5,77,560

Additional Information:

- (i) Inventories on 31st March, 2017 are Rs. 53,400.
- (ii) Provide depreciation on machinery @ 15% and on furniture @ 10% p.a.
- (iii) Make provision for taxation @ 30%.
- (iv) Create a provision for doubtful debts @ 5% on debtors.
- (v) A dividend of 15% on the share capital has been recommended by the directors.

OR / অথবা

- (a) How would you distinguish Capital Expenditure and Revenue Expenditure? Discuss with suitable example. 10
 মূলধনজাতীয় ব্যয় ও মুনাফাজাতীয় ব্যয় কীভাবে আলাদা করা হবে? উপযুক্ত উদাহরণসহ ব্যাখ্যা করো।
- (b) Distinguish between 'Reserve Capital' and 'Capital Reserve'. 4
 সঞ্চিত মূলধন এবং মূলধন সঞ্চিতির মধ্যে পার্থক্য করো।
- (c) Mention four points of difference between Equity Share and Debenture. 4
 সাধারণ শেয়ার ও ঋণপত্রের মধ্যে চারটি পার্থক্য করো।
2. (a) Veeru and Jay Ltd. amalgamate to form a new company, Thakur Ltd. The Balance Sheets of the two companies are as follows: 6+6

Equity & Liabilities	Veeru Ltd.	Jay Ltd.	Assets	Veeru Ltd.	Jay Ltd.
Equity shares of Rs.10 each	4,00,000	2,50,000	Goodwill	70,000	—
Profit & Loss account	50,000	1,00,000	Stock	1,55,000	1,50,000
10% Debentures	60,000	—	Debtors	3,75,000	2,50,000
Creditors	90,000	50,000			
	6,00,000	4,00,000		6,00,000	4,00,000

The goodwill of Veeru Ltd. is valued at Rs. 80,000 and all other assets of both the companies are taken over by the new company at 90%. The purchase consideration was discharged by the new company by issue of equity shares of Rs. 10 each. Close the books of Veeru Ltd. and Prepare the Balance Sheet of Thakur Ltd. after amalgamation.

OR / অথবা

- (a) What do you mean by 'Reconstruction' of a company? 2
 কোম্পানীর পুনর্গঠন বলতে কি বোঝো?
- (b) What are the causes of 'Internal Reconstruction'? 4
 'আভ্যন্তরীণ পুনর্গঠন'-এর কারণগুলি কি কি?
- (c) Give the necessary Journal entries for the following transactions in connection with Internal Reconstruction of B. Co. Ltd: 6
 নিম্নলিখিত লেনদেনগুলি থেকে B. Co. Ltd-এর আভ্যন্তরীণ পুনর্গঠনের জাবেদাগুলি লেখোঃ
- (i) 10,000 Equity shares of ₹10 each fully paid, reduced to shares of ₹6 each fully paid.
- (ii) General Reserve ₹10,000 is utilized for writing of losses.
- (iii) The value of plant written down by ₹25,000.
3. (a) D Ltd. was incorporated on 1st July, 2017 to acquire a running business with effect from 1st April, 2017. The accounts for the year ended 31st March, 2018 disclosed the following: 12
- (i) There was a gross profit of ₹ 3,00,000
- (ii) The sales for the year amounted to ₹ 12,00,000 of which ₹ 2,40,000 were for the first six months.
- (iii) The expenses debited to the Profit and Loss Account included —
 directors' fees ₹ 15,000; bad debts ₹ 3,600; advertising ₹ 12,000 (under a contract amounting to ₹ 1,000 per month); salaries and general expenses ₹ 64,000; preliminary expenses written off ₹ 5,000 and donation to a political party given by the company ₹ 5,000.

- (b) Define Accounting Standard. What are the salient features of Accounting Standard (AS)? 2+6

হিসাবনিকাশের মান ব্যাখ্যা করো। হিসাবনিকাশ মান-এর বিশেষ বৈশিষ্ট্যগুলি কি কি ?

OR / অথবা

- (a) Write a short note on 'Super Profit'. 4
‘অতি-মুনাফা’-এর উপর একটি সংক্ষিপ্ত টীকা লেখো।
- (b) Discuss the various methods for valuation of Equity shares of a company. 4
একটি কোম্পানীর সাধারণ শেয়ার মূল্যায়নের বিভিন্ন পদ্ধতিগুলি আলোচনা করো।
- (c) Calculate the value of one Equity share from the following information of a company: 12
- (i) 60,000 Equity Shares of ₹ 10 each, ₹ 7 paid up.
(ii) ₹ 2,00,000, 10% Preference shares of ₹ 100 each fully paid up.
(iii) Expected Annual Profits before tax ₹ 4,00,000.
(iv) Tax Rate — 35%
(v) Transfer to General Reserve — 20% of the profits every year.
(vi) Normal Rate of Return 20%.

4. (a) The summarized Balance Sheets of H Ltd. and S Ltd. as on 31st March, 2017 was given below: 18

Particulars	Note No.	H Ltd. Rs.	S Ltd. Rs.
Equity & Liabilities			
Shareholders' Fund:			
Share Capital	1	6,00,000	5,00,000
Reserve & Surplus	2	2,90,000	2,00,000
Current Liabilities:			
Trade Payables		2,50,000	3,10,000
Short Term Provisions (Proposed dividend)		60,000	40,000
Total		12,00,000	10,50,000
Assets			
Non-Current Assets:			
Tangible Assets		3,20,000	2,50,000
Intangible Assets		—	20,000
Investment		3,90,000	90,000
Current Assets:			
Inventories		2,20,000	3,60,000
Trade Receivables		2,50,000	2,85,000
Cash		20,000	45,000
Total		12,00,000	10,50,000

Notes to Accounts:

- (1) Share Capital:

Equity Shares of Rs. 10 each: H Ltd. Rs. 6,00,000; S Ltd. Rs. 5,00,000

- (2) Reserve & Surplus:

General Reserve: H Ltd. Rs. 1,60,000; S Ltd. Rs. 80,000.

P&L Account: H Ltd. Rs. 1,30,000; S Ltd. Rs. 1,20,000.

H Ltd. acquired 75% shares of S Ltd. on 1st April, 2016.

Prepare a consolidated Balance Sheet as on 31st March, 2017 taking into account the following:

(i) Trade payables of H Ltd. include an amount of Rs. 12,000 for purchase of goods from S Ltd. which are still unsold. S Ltd. sold the goods at a profit of 20% on sales.

(ii) Trade receivables of S Ltd. include Rs. 6,000 due from H Ltd.

(b) What do you mean by a holding company?

হোল্ডিং কোম্পানী বলতে কি বোঝা ?

2

OR / অথবা

The summarized Balance Sheets of Meghal Ltd. and Shalini Ltd. as on 31st March, 2017 was given below:

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Particulars	Note No.	Meghal Ltd. Rs.	Shalini Ltd. Rs.
<u>Equity & Liabilities</u>			
Shareholders' Fund:			
Share Capital	1	20,00,000	7,50,000
Reserve & Surplus	2	18,00,000	4,65,000
Current Liabilities:			
Trade Payables		2,00,000	2,97,250
Total		40,00,000	15,12,250
<u>Assets</u>			
Non-Current Assets:			
Tangible Assets		19,80,000	6,95,000
Intangible Assets			
Investment		9,00,000	—
Current Assets:			
Inventories		5,10,000	3,40,250
Trade Receivables		4,85,000	4,11,000
Cash		1,25,000	66,000
Total		40,00,000	15,12,250

Notes to Accounts:

(1) Share Capital:

Equity Shares of Rs. 100 each fully paid.

(2) Reserve & Surplus:

General Reserve: Meghal Ltd. Rs. 10,50,000; Shalini Ltd. Rs. 65,000.

P & L Account: Meghal Ltd. 7,50,000; Shalini Ltd. Rs. 4,00,000.

Meghal Ltd. acquired 5,000 shares of Shalini Ltd. on 1st April, 2016.

Prepare a consolidated Balance Sheet as on 31st March, 2017 taking into account the following:

(i) Trade payables of Meghal Ltd. include an amount of Rs. 15,000 for purchase of goods from Shalini Ltd. which are still unsold. Shalini Ltd. sold the goods at a profit of 20% on cost.

(ii) The directors of both the companies proposed a dividend of 10% on equity share capital.

5. (a) What do you mean by Accounting theory? State the needs of accounting theory. 3+6
হিসাবতত্ত্ব বলতে কি বোঝায়? হিসাবতত্ত্বের প্রয়োজনীয়তা বিবৃত করো।
- (b) State the limitations of historical cost accounting. 6
ঐতিহাসিক ব্যয় পদ্ধতির সীমাবদ্ধতাগুলি আলোচনা করো।

OR/অথবা

What do you mean by GAAP? Discuss the merits and demerits of GAAP. 3+6+6
GAAP বলতে কি বোঝায়? এই নীতির সুবিধা ও অসুবিধাগুলি আলোচনা করো।

6. (a) What is Financial Statement? 3
আর্থিক বিবরণী কাকে বলে?
- (b) State the components of Financial Statement. 6
আর্থিক বিবরণীর উপাদানগুলি লেখো।
- (c) Distinguish between the Traditional Approach and Modern Approach to Financial Statement Analysis. 6
আর্থিক বিবরণী বিশ্লেষণে সাবেকী বা ঐতিহ্যবাহী দৃষ্টিভঙ্গী এবং আধুনিক দৃষ্টিভঙ্গীর মধ্যে পার্থক্য লেখো।

OR / অথবা

- (a) Who are the users of Financial Statement? 4
আর্থিক বিবরণীর ব্যবহারকারীগণ কারা?
- (b) Explain how are the Balance Sheet and the Income Statement related to each other. 3
কিভাবে উদ্বর্তপত্র এবং আয়ের বিবরণী পরস্পরের সহিত সম্পর্কযুক্ত তা ব্যাখ্যা করো।
- (c) From the following information, prepare a comparative Balance Sheets of ABC Ltd. 8

Particulars	31.03.2017	31.03.2018
	₹	₹
Equity share capital	4,00,000	5,00,000
Preference share capital	2,00,000	1,00,000
10% Debenture	1,50,000	1,00,000
Reserve and Surplus	40,000	70,000
Long Term Loans	2,00,000	3,00,000
Investment	2,20,000	2,50,000
Fixed Assets	5,70,000	6,30,000
Current Assets	2,80,000	3,10,000
Current Liabilities	80,000	1,20,000

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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