



## WEST BENGAL STATE UNIVERSITY

B.Com. Honours Part-III Examination, 2022

### FINANCIAL ACCOUNTING

#### PAPER: FACA-V

Time Allotted: 4 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।*

#### Module-I

1. Firm P & Co. is run by partners P and Q sharing profits and losses in the ratio 3:2. Firm Q & Co. is run by partners Q and R sharing profit and losses in the ratio 5:3. On 31.03.2017 it was decided to amalgamate both the firms and form a new firm PQR & Co. where all P, Q and R are to be partners sharing profits and losses in the ratio 4:5:1(P:Q:R). 15

ফার্ম P & Co.-এর অংশীদারগণ হল P ও Q এবং তাদের মুনাফা/ক্ষতি বন্টনের অনুপাত 3:2।  
ফার্ম Q & Co-এর অংশীদারগণ হল Q ও R এবং তাদের মুনাফা/ক্ষতি বন্টনের অনুপাত 5:3।  
31.03.2017 তারিখে ঠিক হল যে দুটি ফার্ম মিশে গিয়ে PQR & Co. নামে নতুন ফার্ম গঠিত হবে এবং সেখানে মুনাফা/ক্ষতি বন্টনের হার হবে 4:5:1(P:Q:R)।

#### Balance Sheet as on 31.03.2017

Liabilities	P & Co. ₹	Q & Co. ₹	Assets	P & Co. ₹	Q & Co. ₹
Capital:			Cash in hand / Bank	80,000	60,000
– P	3,00,000	--	Sundry Debtors	1,20,000	1,60,000
– Q	2,00,000	1,50,000	Stock	1,00,000	40,000
– R	--	1,00,000	Motor car	--	1,80,000
Reserves	1,00,000	80,000	Machinery	2,40,000	--
Others	2,40,000	1,10,000	Building	3,00,000	--
	<b>8,40,000</b>	<b>4,40,000</b>		<b>8,40,000</b>	<b>4,40,000</b>

The following are the terms of amalgamation:

- Goodwill of P & Co. was valued at ₹1,50,000 and of Q & Co. was valued at ₹80,000. Goodwill Account not to be opened in the books of the new firm but adjusted through Capital Accounts of the partners.
- Building, Machinery and Motor Car to be taken over at ₹4,00,000, ₹2,00,000 and ₹1,48,000 respectively.
- Provision for doubtful debts to be provided @ 5%.

You are required to:

- Show how the Goodwill value is adjusted amongst the partners.
- Prepare the Balance Sheet of PQR & Co. as on 31.03.2017 by keeping partners capital in their profit sharing ratio taking capital of Q as the basis. The excess or deficiency to be kept in the respective Partners' Current Account.

Amalgamation-এর শর্তগুলি নিম্নরূপঃ

- P & Co-এর সুনাম ₹1,50,000 এবং Q & Co. -এর সুনাম ₹80,000 হিসাবে মূল্যায়ন করা হল এবং Goodwill Account না খুলে নতুন ফার্মের বইতে অংশীদারদের Capital Account-এর মাধ্যমে এই মূল্যায়নের হিসাব হবে।
- Building, Machinery ও Motor car যথাক্রমে ₹4,00,000, ₹2,00,000 এবং ₹1,48,000 গৃহীত হবে।
- Provision for Doubtful Debts ধরা হবে 5%।

তোমাকে নিম্নলিখিত বিষয়গুলি দেখতে হবেঃ

- কীভাবে সুনামের মূল্য অংশীদারদের মধ্যে হিসাব হবে।
- 31.03.2017 তারিখে PQR & Co.-এর Balance Sheet তৈরী করতে হবে এমনভাবে যাতে Q-এর মূলধনকে ভিত্তি করে হিসাব করলে সমস্ত অংশীদারদের মূলধন তাদের মূনাফা/ক্ষতি বন্টনের অনুপাতের সাথে সমান হয়। উদ্ধৃত/ঘাটতি Partners' Current Account-এ যাবে।

**OR**

Gama Ltd. is formed to take over Beta Ltd. and Alpha Ltd. when the Balance Sheet of the two companies stood as:

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Liabilities	Beta Ltd. ₹	Alpha Ltd. ₹	Assets	Beta Ltd. ₹	Alpha Ltd. ₹
Share Capital: (Shares of ₹10/- each)	4,50,000	3,00,000	Fixed Assets	3,12,500	87,500
P/L Account	75,000	12,500	Stock	1,75,000	75,000
Trade Creditors	1,00,000	50,000	Debtors	1,00,000	1,00,000
Bills Payable	25,000	37,500	Bills Receivable	37,500	50,000
			Cash at Bank	25,000	87,500
	<b>6,50,000</b>	<b>4,00,000</b>		<b>6,50,000</b>	<b>4,00,000</b>

[Note: Bills discounted by Alpha Ltd. not yet matured ₹3,000]

The purchase consideration payable entirely by shares of ₹10/- each of Gama Ltd. were settled as Beta Ltd. ₹5,00,000/- and Alpha Ltd. ₹2,50,000/-. The Debtors of Beta Ltd. include ₹28,000/- due from Alpha Ltd. Bills Payable by Alpha Ltd. include bills of ₹16,000/- accepted in favour of Beta Ltd. but Bills Receivable of Beta Ltd. include ₹13,000/- accepted by Alpha Ltd.

You are required to show the Journal entries in the books of Gama Ltd. and to prepare its initial Balance Sheet.

- What are the factors that should be considered in valuing Goodwill?

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সুনাম মূল্যায়নের ক্ষেত্রে কী কী উপাদান / বিষয় বিবেচনা করতে হয় ?

## OR

The following particulars are available in relation to Rico Ltd.

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(i) Capital:- 20,000, Equity Shares of ₹50 each fully paid. 1000, 4% cumulative preference shares of ₹100 each, fully paid.	10,00,000 1,00,000
(ii) Loan at 6%	75,000
(iii) 5% Debentures	2,50,000
(iv) Current Liabilities	90,000
Assets:-	
Goodwill	55,000
Fixed Assets	9,60,000
Current Assets	5,00,000

Interest on loans and debentures and dividends on preference shares are all outstanding for one year and have not been shown in the Balance Sheet. The preference shares are preferential regarding repayment of capital at 10% premium. The fixed assets are worth ₹12,00,000 and current assets ₹6,00,000. Compute the value of each equity share.

3. The Balance Sheet of H. Ltd. and S. Ltd. as on 31.03.2016 are as follows:

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Particulars	Note No.	H. Ltd. ₹	S. Ltd. ₹
<b>I. Equity and Liabilities.</b>			
(i) Shareholder's Funds:			
(a) Share Capital	1	11,00,000	5,40,000
(b) Reserve and Surplus	2	4,80,000	2,90,000
(ii) Current Liabilities:			
Trade Payables	3	2,20,000	1,60,000
<b>Total</b>		<b>18,00,000</b>	<b>9,90,000</b>
<b>II. Assets.</b>			
(i) Non-Current Assets:			
(a) Fixed Assets:			
Tangible	4	8,20,000	5,40,000
Intangible (Goodwill)		80,000	60,000
(b) Non-Current Investments	5	4,80,000	--
(ii) Current Assets:			
(a) Inventories (Stock)		2,00,000	1,80,000
(b) Trade Receivables (Debtors)		40,000	1,50,000
(c) Cash and Bank		1,80,000	60,000
<b>Total</b>		<b>18,00,000</b>	<b>9,90,000</b>

Notes to Accounts:

	H. Ltd. ₹	S. Ltd. ₹
(i) Share Capital Subscribed:		
(a) Preference Share Capital.	3,00,000	1,40,000
(b) Equity Share of ₹100 each.	8,00,000	4,00,000
	<b>11,00,000</b>	<b>5,40,000</b>

(ii) Reserve and Surplus:		
(a) General Reserve (01.04.2015).	2,00,000	1,20,000
(b) Profit & Loss A/c Balance	2,80,000	1,80,000
(c) Preliminary Expenses	--	(10,000)
	<b>4,80,000</b>	<b>2,90,000</b>
(iii) Trade Payables:		
(a) Creditors	2,20,000	1,20,000
(b) Bills Payable	--	40,000
	<b>2,20,000</b>	<b>1,60,000</b>
(iv) Fixed Assets – Tangible:		
(a) Land & Buildings.	5,00,000	3,60,000
(b) Plant & Machinery	3,20,000	1,80,000
	<b>8,20,000</b>	<b>5,40,000</b>
(v) Non-Current Investments:		
3000 shares in S. Ltd. purchased on 30.09.2015.	4,80,000	--

**Further Information:**

- Balance in P/L Account of S. Ltd. showed a credit balance of ₹1,00,000 on 01.04.2015.
  - A dividend of 15% was paid by S. Ltd. on 01.10.2015 for the year 2014-15 which was credited to P/L Account of H. Ltd.
  - Creditors of S. Ltd. includes ₹40,000 for goods supplied by H. Ltd. Also included in the stock of S. Ltd. are goods valued ₹16,000 which were supplied by H. Ltd. at a profit of 25% on sales.
  - Plant and Machinery of S. Ltd. were revalued at ₹3,00,000 on acquisition date which stood in the books ₹2,00,000 on 01.04.2015.
- Prepare a consolidated Balance Sheet of H. Ltd. with its subsidiary S. Ltd. as on 31.03.2016.

**OR**

H. Ltd. acquired 12,000 shares in S. Ltd. for ₹1,70,000 on 1st July, 2016. The Balance Sheets of the two companies on 31st March, 2017 were as follows:

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Balance Sheet		
Particulars	H. Ltd. ₹	S. Ltd. ₹
<b>Equity and Liabilities</b>		
Share Capital (Shares of ₹10 each)	10,00,000	3,00,000
General Reserve	4,20,000	50,000
Profit & Loss A/c	2,60,000	85,000
Bills Payable	80,000	60,000
Sundry Debtors	2,40,000	42,000
	<b>20,00,000</b>	<b>5,37,000</b>
<b>Assets</b>		
Land & Building	4,00,000	1,00,000
Plant & Machinery	5,00,000	1,00,000
Goodwill	3,00,000	70,000
Investments	1,70,000	--
Stock	2,00,000	40,000
Debtors	3,00,000	1,35,000
Bills Receivables	50,000	30,000
Cash & Bank	80,000	62,000
	<b>20,00,000</b>	<b>5,37,000</b>

On 1st April, 2016, the Profit & Loss A/c. of S. Ltd. stood at ₹40,000.

A Bonus issue of one share (fully paid), for every two shares held, was issued by S. Ltd. in September 2016 out of General Reserve. The effect of this issue has already been given in the accounts.

Bills payable of S. Ltd. represent Bills issued in favour of H. Ltd., which the company still held ₹40,000 of the Bills accepted by S. Ltd.

You are required to prepare consolidated Balance Sheet (with detailed workings) as at 31st March, 2017.

4. The following is the Balance Sheet of Y Co. Ltd. which is in the hands of the liquidator:

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Liabilities	Amount ₹	Assets	Amount ₹
Share Capital: 1,000 6% Preference Shares of ₹100 each fully paid.	1,00,000	Fixed Assets	2,00,000
2,000 Equity Shares of ₹100 each fully paid.	2,00,000	Stock	1,20,000
2,000 Equity Shares of ₹100 each, ₹75 called up.	1,50,000	Book Debts	2,40,000
Bank Loan [Secured by Stock]	1,00,000	Cash in hand	40,000
Trade Creditors	3,50,000	Profit & Loss Account	3,00,000
	<b>9,00,000</b>		<b>9,00,000</b>

The assets realized the following amounts (after all costs of realization and liquidator's commission amounting to ₹5,000 were paid out of cash in hand ₹40,000 as per Balance Sheet): Fixed Assets ₹1,68,000; Stock ₹1,10,000; Book Debts ₹2,30,000.

Calls on partly paid shares were made, but the amount due on 200 shares were found to be irrecoverable.

Prepare Liquidator's Final statement of Receipts & Payments.

**OR**

- (a) From the following information relating to advances of a commercial bank, calculate the amount of provisions to be made in the profit and loss account for the year ended on 31.03.2017.

7+5

Asset Classification	(₹ in Lakhs)
Standard	10,000
Sub-Standard	6,400
Doubtful:-	
for one year	3,200
for two years	1,800
for three years	900
for more than three years	1,100
Loss Assets	3,000

- (b) Write a short note on 'Non-performing Assets'.

‘অনুৎপাদনশীল সম্পত্তি’-এর উপর একটি সংক্ষিপ্ত টীকা লেখো।

**Module-II**

5. (a) What do you mean by GAAP? What are its sources? (2+3)+5

GAAP বলতে কি বোঝো? ইহার উৎসগুলি কী কী?

- (b) State the advantages of GAAP.

GAAP-এর সুবিধাগুলি বিবৃত করো।

**OR**

- (a) What is income in accounting? 4+6

হিসাব ব্যবস্থায় আয় বলতে কি বোঝো?

- (b) Mention advantages of Historical Cost Accounting.

ঐতিহাসিক ব্যয়ভিত্তিক হিসাব পদ্ধতির সুবিধাগুলি লেখো।

6. The Summarised Profit and Loss Accounts and Balance Sheets of Z Ltd. for the two consecutive years ended on 31 March 2016 and 2017 are given below. 6+9

<b>Profit &amp; Loss Account for the year ended</b>					
<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>Particulars</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
	₹	₹		₹	₹
To cost of Goods sold	7,50,550	8,28,750	By Sales	13,17,500	17,25,500
To Operating Exp.	1,97,200	2,24,400			
To Interest on Long-term loans	59,925	68,000			
To Income Tax	1,31,750	2,05,700			
To Profits	1,78,075	3,98,650			
	<b>13,17,500</b>	<b>17,25,500</b>		<b>13,17,500</b>	<b>17,25,500</b>

<b>Balance Sheet on 31.03.2016 and 31.03.2017</b>					
	<b>31.03.2016</b>	<b>31.03.2017</b>		<b>31.03.2016</b>	<b>31.03.2017</b>
	₹	₹		₹	₹
Share Capital (₹100 each)	6,80,000	6,80,000	Fixed Assets	12,11,250	11,73,000
Reserve and Surplus	2,80,500	5,89,900	Stock	2,72,000	3,52,750
Long-term Loans	5,44,000	5,08,300	Debtors	1,36,000	2,32,900
Current liabilities and Provisions	2,76,250	1,75,950	Cash & Bank	1,61,500	1,95,500
	<b>17,80,750</b>	<b>19,54,150</b>		<b>17,80,750</b>	<b>19,54,150</b>

Prepare Common-size Statements.

**OR**

- (a) State three advantages of Common-size Statement. 6

Common-size Statement-এর তিনটি সুবিধা বিবৃত করো।

- (b) Prepare a Common-size Statement of Income of XY Ltd. and comment on the change. 9

XY Ltd.-এর Common-size Statement of Income প্রস্তুত করো এবং পরিবর্তনের কারণের উপর তোমার মন্তব্য লেখো।

Particulars	31.03.2016 ₹	31.03.2017 ₹
Sales	10,00,000	12,50,000
Add: Commission received	50,000	70,000
Add: Discount received	1,00,000	1,30,000
	<b>11,50,000</b>	<b>14,50,000</b>
Cost of Goods Sold	8,00,000	9,00,000
Operating Expenses	2,00,000	3,00,000
Non-Operating Expenses	50,000	75,000
Profit	1,00,000	1,75,000
	<b>11,50,000</b>	<b>14,50,000</b>

7. (a) State the limitation of Accounting Ratios. 4+6

হিসাব সংক্রান্ত অনুপাতের সীমাবদ্ধতা বিবৃত করো।

- (b) The current ratio of a company is 1.5:1. State, giving reasons, which of the following would improve, reduce or not change the ratio:

একটি কোম্পানীর চলতি অনুপাত 1.5:1 নিম্নের কারণগুলির জন্য এই অনুপাতটির উন্নতি, অবনতি বা অপরিবর্তন হবে কিনা কারণসহ আলোচনা করোঃ

- Repayment of current liability;
- Sale of goods for ₹12,000 (Cost ₹13,000);
- Sale of office equipment for ₹5,000 (Book value ₹4,000);
- Purchase of goods for cash.

**OR**

From the following information, prepare the Balance Sheet of V Ltd. as on 31.03.2017. Current Ratio 2:1, Liquid Ratio 1.25:1, Fixed Assets to proprietorship ratio 0.75:1, Gearing Ratio 1:1, Working Capital (Net) ₹8,000, Reserve & Surplus ₹2,000, Bank Overdraft ₹2,000. There is no Long-Term Loan. (কোনরূপ দীর্ঘমেয়াদী ঋণ নেই)। 10

8. (a) What do you mean by 'Fund from operating activities'? 5

কারবারী কার্যকলাপজনিত উৎস থেকে তহবিল বলতে কি বোঝো ?

- (b) Distinguish between Fund Flow Statement and Cash Flow Statement. 5

নগদ প্রবাহ বিবরণী এবং ফান্ড প্রবাহ বিবরণীর মধ্যে পার্থক্য দেখাও।

- (c) Write down the concept of flow of fund. 5

তহবিল প্রবাহের ধারণাটি লেখো।

**OR**

Prepare a Fund Flow Statement of XYZ Ltd. for the period 2016-17.  
2016-17 সনের তহবিল প্রবাহ বিবরণী প্রস্তুত করো।

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Balance Sheet of XYZ Ltd.					
Liabilities	31.03.2016 ₹	31.03.2017 ₹	Assets	31.03.2016 ₹	31.03.2017 ₹
Equity Share Capital (₹10 each)	2,50,000	2,70,000	Fixed Assets (Net)	4,75,000	5,10,000
General Reserve	90,000	70,000	Sundry Debtors	1,05,000	1,20,000
Profit & Loss A/c	30,000	38,000	Inventories	80,000	85,000
8% Preference Share Capital	1,20,000	70,000	Loans & Advances	35,000	20,000
Securities Premium	15,000	12,000	Cash at Bank	44,000	48,000
9% Debentures	1,20,000	2,00,000	Miscellaneous Expenditure	16,000	17,000
Capital Redemption Reserve	--	30,000			
Current Liabilities	77,000	50,000			
Proposed Dividend	25,000	27,000			
Provision for Taxation	28,000	30,000			
Unclaimed Dividend	--	3,000			
	<b>7,55,000</b>	<b>8,00,000</b>		<b>7,55,000</b>	<b>8,00,000</b>

Additional Information:

- An obsolete machine W.D.V. ₹20,000 having 75% accumulated depreciation was disposed off for ₹28,000. Accumulated Depreciation on Fixed Assets accounted to ₹1,30,000 and ₹1,65,000 as on 31.03.2016 and 31.03.2017 respectively.
- Estimated tax liabilities provided for the year ₹26,000.
- Stock on 01.04.2016 of ₹54,000 which was previously valued at 10% below cost was written upto its cost for preparing income statement.
- Equity Shares and Debentures were issued at 10% premium and 5% discount respectively to redeem Preference Shares at 10% premium at the year end.

অতিরিক্ত বিষয়সমূহ:

- একটি অপ্রচলিত Machine যার W.D.V. ₹20,000 Accumulated Depreciation 75%, 28,000 মূল্যে বিক্রয় করা হল। 31.03.2016 এবং 31.03.2017 তারিখে Accumulated Depreciation-এর জের যথাক্রমে ₹1,30,000 ও ₹1,65,000।
- করের জন্য সম্ভাব্য দায় ₹26,000।
- 01.04.2016 তারিখে ₹54,000 টাকার Stock-এর মূল্য পূর্ববর্তী সময়ে ক্রয়মূল্যের থেকে 10% কমে ধরা হয়েছিল যা আয়বিবরণী প্রস্তুতের জন্য পুনরায় ক্রয়মূল্যে ধরা হয়েছে।
- 10% হারে Preference Share গুলিকে বৎসরান্তে পরিশোধ করার জন্যে Equity Share গুলি 10% Premium-এ ও Debenture গুলিকে 5% Discount-এ বিলি করা হয়েছে।

**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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