

TILAK MAHARASHTRA VIDYAPEETH

(Department of Distance Education)

F.Y. B.Com Home Assignment – May 2011-12

Subject: Financial Accounting

Subject Code:- C-113

Instructions:

- 1) All questions carry equal marks (16 marks each)
- 2) All questions are compulsory

Q.1 From the following trial balance of Farm Fresh Ltd. prepare Crop Account; Livestock Account; P & L Account for the year ended on March 31, 2011 and Balance Sheet as on that date.

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Stock as on April 1, 2010		Creditors	30,000
Growing Crops	40,000	Bank Overdraft	6,000
Live stock	50,000	Manager's Personal Account	4,000
Feeding Material	12,000	Sales:	
Crop Expenses	20,000	Wheat	70,000
Livestock expenses	56,600	Livestock	1,50,000
Farm house expenses (crop)	2,400	Loan	1,20,000
Interest on loan (crop)	8,000	Provision for Depreciation	60,000
<u>Salary and Wages:</u>		Profit and Loss Account	20,000
Manager	12,000	Share Capital	5,40,000
Labour (Farm)	10,000		
Staff Meals	1,000		
Land and Building	4,20,000		
Farm Machinery	2,16,000		
Debtors	60,000		
Cash-in-hand	52,000		
Repairs to Machinery	2,000		
Tools	5,000		
Office Expenses	8,000		
Purchase of Livestock	25,000		
Total	10,00,000	Total	10,00,000

Additional information:

- 1) Stock as on March 31, 2011
 - a) Growing crops Rs. 20,000
 - b) Livestock Rs. 80,000
 - c) Feeding materials Rs. 2,000
 - d) Tools Rs. 4,000

- 2) Depreciation on Tools is to be apportioned between Crop and Livestock equally.
- 3) The Livestock Account is chargeable with 20% of Manager's salary and staff meals.
- 4) Farm product worth Rs. 2, 000 was consumed by cattle.
- Q.2. On 1st January, 2010 Alpha Ltd. acquired a lease of Rs. 2, 00, 000 for five years. It was decided to depreciate the lease by Annuity Method. A reference to the annuity table shows, that the depreciation to be charged @ 6% p.a. for five years amounted to be Rs. 47, 480. Prepare Lease Account for the five years. Interest is to be calculated to the nearest rupee.
- Q.3. On January 1, 2010 The Beta Logistics Ltd. obtained a wagon under the hire-purchase agreement. The cash price of the wagon was Rs. 50, 000. The payment was supposed to be made as Rs. 10, 000 down and the balance by installments of Rs. 8, 000 every year. The interest was going to be charged at 4% p.a. Depreciation was to be charged at 5% p.a. Prepare the Wagon Account in the books of the company for the five years.
- Q.4. Write notes on
 a) Users of accounting information and
 b) Accounting standards
- Q.5. Write a detailed note on Tally.
- Q.6. From the following Receipts and Payments Account of The Punekar Sports Club, Deccan Gymkhana, Pune and the given additional information prepare the **Income and Expenditure Account** for the year ended on December 31, 2010 and the **Balance-Sheet** as on that date.

Receipts and Payments Account			
For the year ended on December 31, 2010			
Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Opening cash balance	17, 200	By Sports Materials	32, 000
To Donations	27, 600	By Insurance	1, 000
To Subscription	31, 200	By Furniture	5, 800
To Locker Rent	3, 100	By Investments	10, 000
To Entrance Fees	2, 600	By Playground Expenses	3, 400
		By Salaries	6, 400
		By Postage	900
		By Printing	3, 300
		By Repairs of Sports Materials	1, 660
		By Expenses for Tournament	1, 700
		By Sundry Expenses	2, 940
		By Balance c/f	12, 600
Total	81, 700	Total	81, 700

Additional Information:

- 1) The assets on January 1, 2010 were
 - a) Land and Building Rs. 6, 00, 000
 - b) Furniture Rs. 20, 000
 - c) Playground Rs. 50, 000
 - d) Sports Materials Rs.44, 000
 - e) Investments Rs. 16, 000
- 2) Subscription received includes Rs. 600 for the previous year and Rs.1, 600 for the next year; whereas subscription of Rs. 5, 000 are receivable for this year.
- 3) Half of the donations and entire entrance fees are to be capitalised.
- 4) Outstanding Salaries amounted to Rs.1, 300 and Insurance of Rs.400 was prepaid.
- 5) Depreciate Land and Building @2.5%; Furniture @7.5% and Sports Materials @12.5% on opening balances.