

TIME: 3HRS

Nagaland B.K

80 MARKS

- Q1 Attempt any Three of the following [15]
- [A] Answer in one sentence only : (05)
- 1 What is Balance sheet?
 - 2 What is general acceptance of bill?
 - 3 What is special donation?
 - 4 What do you mean by convertible debentures?
 - 5 What is sacrifice ratio?
- [B] Write the word/term/phrase which can substitute each of the following statement : (05)
- 1 A system of book keeping which maintains only those accounts which are absolutely necessary.
 - 2 Credit balance of Realisation Accounts.
 - 3 The ratio measuring the relationship between net profit and capital invested.
 - 4 Payment of bill before due date.
 - 5 Expenses paid before they are due.
- [C] Select the most appropriate alternatives from those given below and rewrite the statement : (05)
- 1 When the capital balance of partners changes every year, it is known as _____ capital method.
(a) fixed (b) fluctuating (c) blocked (d) reducing
 - 2 If a 90 days bill is accepted on 23rd December, 2011, its due date will be _____.
(a) 23rd March, 2012 (b) 24th March, 2012
(c) 25th March, 2012 (d) 26th March, 2012
 - 3 A share of RS. 10 issued for RS. 11 are known as issue of share _____.
(a) at par (b) at premium (c) at discount (d) at loss
- Further capital introduced during the year is _____ from closing capital in order to find out correct profit.
- 4 (a) added (b) deducted (c) multiplied (d) divided
 - 5 There are _____ parties to Bills of Exchange.
(a) one (b) two (c) three (d) four
- [D] State whether the following statements are 'True' or 'False' : (05)
- 1 Subscription is an income of recurring nature.
 - 2 Gain ratio means old ratio minus new ratio.
 - 3 Dissolution takes place when disputes arise amongst the partners.
 - 4 Days of grace are not allowed in case of trade bill.
 - 5 Fixed assets help to find out current ratio.
- [E] From the following details prepare a format of Bill of Exchange : (05)
- 1 Drawer : Renuka Shah, M.G. Road, Mumbai
 - 2 Drawee : Vimal Wadekar, Ring Road, Pune
 - 3 Payee : Radhika Desai, Panchvati, Nashik
 - 4 Amount : Rs. 5,500
 - 5 Period : 60 days

- 6 Date of Bill : 20th November, 2012
 7 Date of Acceptance : 22th November, 2012

Q2 Nikita keeps her books on single entry system and following information is disclosed by her : (08)

Particulars	31.03.2011 (Rs.)	31.03.2012 (Rs.)
Cash at Bank	10,000	15,000
Stock in Trade	8,000	10,000
Debtors	15,000	25,000
Furniture	20,000	20,000
Creditors	20,000	30,000
Bills Payable	1,000	5,000
Loan from Vijay	-	3,000
Investment	-	12,000

Nikita had withdrawn Rs. 2,500 in cash and take goods worth Rs. 500 for her private use from business.

She sold her private car for Rs. 10,000 and invested it as additional capital.

Furniture is to be depreciated by 10% and Reserve for Doubtful Debts is to be maintained @ 5% on debtors.

- Prepare :
- [1] Opening Statement of Affairs as on 31.03.2011.
 - [2] Closing Statement of Affairs as on 31.03.2012.
 - [3] Statement of Profit or Loss for the year ending 31.03.2012.

OR

Q2A What are Comparative Financial Statements?

Q2B What is Current Ratio?

Q3 Pooja and Bhakti are partners in a firm sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31st March, 2012 was as follows : (10)

Balance sheet as on 31st March, 2012

LIABILITIES	Amt Rs.	ASSETS	Amt Rs.
Capital Accounts		Cash in Hand	27,000
POOJA	25,000	Debtors	10,000
BHAKTI	20,000	Stock	12,000
General Reserve	15,000	Machinery	15,000
Creditors	10,000	Building	11,000
Outstanding Expenses	5,000		
	75,000		75,000

Shradha is admitted as a partner in the firm on 1st April, 2012 on the following terms :

- (1) Shradha is to pay Rs. 10,000 as capital for 1/5th share in future profit and Rs. 5,000 for Goodwill.
- (2) Stock to be reduced by 10%.
- (3) Machinery is to be revalued at Rs.13,000
- (4) Building is to be appreciated by 25%.

- (5) A provision for 5% on debtors is to be created.
You are required to prepare: Revaluation Accounts, Partners' Capital Accounts and Balance Sheet of new firm.

OR

Q3 The Balance Sheet of P, Q and R is as follows

(10)

Balance sheet as on 31st March, 2012

LIABILITIES		Amt Rs.	ASSETS		Amt Rs.
Creditors for goods		12,000	Cash		5,000
Creditors for expenses		8,000	Debtors		20,000
Loan of R		10,000	Investments		11,000
Capital Accounts :			Premises		40,000
P	10,000		Goodwill		14,000
Q	20,000				
R	30,000	60,000			
		90,000			90,000

R retired from the business on 1st April, 2012 on the following terms :

- (1) The assets are revalued as under
Debtors Rs. 19,900; Investments Rs. 12,000; Premises Rs. 45,000 and Goodwill Rs. 22,000.
- (2) Unrecorded expenses amounted to Rs. 1,000.
- (3) Interest @ 6% p.a. provided on R's Loan for 3 months.
- (4) R to kept Rs. 40,000 as loan and balance if any to be paid in cash.

Prepare :

Revaluation Account, Partners' Capital Accounts & New Balance Sheet assuming that P, Q and R were sharing in the ratio of 5:3:2 respectively.

Q4 Journalise the following transaction in the books of Kamesh :

(10)

- A Nanda informs Kamlesh that Shanti's acceptance for Rs. 4,000 endorsed to Nanda has been dishonoured and noting charges have been Rs. 100.
- B Ashok renews his acceptance to Kamlesh for Rs. 2,400 by paying Rs. 800 in cash and acceptance a new bill for the balance plus interest at 12% p.a. for 3 months.
- C Deva's acceptance to Kamlesh Rs. 12,000, is retired one month before its due date at a discount of 12% p.a.
- D The bank informs Kamlesh that Sudhakar's acceptance for Rs. 4,000 has been dishonoured and it has paid noting charges Rs. 80.

Q5 The following is the Balance Sheet of Sona and Mona as on 31st March, 2012.

(10)

Balance sheet as on 31st March, 2012

LIABILITIES		Amt Rs.	ASSETS		Amt Rs.
Capital Accounts :			Cash at Bank		28,000
Sona	50,000		Stock		45,000
Mona	40,000		Debtors	24,000	
Reserve Fund	20,000		Less: R.D.D.	1,000	23,000
Bills Payable	10,000		Building		22,000
Outstanding expenses	5,000		Investments		7,000

	1,25,000		1,25,000
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The firm was dissolved on 31st March, 2012 and the assets realised as under:

- (1) Stock Rs. 40,000; Debtors Rs. 20,000 and Building Rs. 33,000.
- (2) Investments were taken over by Sona for Rs. 5,000.
- (3) Bills Payable and Outstanding expenses were paid in full.
- (4) Realisation expenses amounted to Rs. 2,000.

Prepare: Realisation Account, Partners' Capital Accounts and Bank A/c to close the books of the firm.

OR

Q5 Bharat Ltd. Issued 7,000 Equity Shares of Rs. 10 each payable as follows: (10)

On Application	Rs. 4
On Allotment	Rs. 4
On Call	Rs. 2

The company received application for 10,000 Equity shares. The excess application were rejected and refunded. The money due on allotment and calls were received in full except on 100 shares the call amount was due. These shares were forfeited and reissued at Rs. 7 each.

Pass Journal entries to record above transaction in the books of company.

Q6 Following is the Receipt and Payment A/c of Modern Cricket Club. (12)

Receipts and Payment A/C for the year ended 31st March, 2012

Receipts	Amt Rs.	Payments	Amt Rs.
To Balance b/d	1,040	By Salaries	1,300
To Subscription		By Entertainment expenses	645
2010-2011	85	By Electricity charges	234
2011-2012	4,000	By General expenses	350
2012-2013	103	By Rent and Taxes	120
To Donation	1,200	By Investments	3,000
To Entertainment receipts	876	By Printing and Stationery	241
To Interest	81	By Expenses of 2010-2011	600
To Entrance Fees	1,000	By Fixed Deposits	1,000
		By Balance c/d	895
	8,385		8,385

Information:

- (1) Club had 450 members paying an annual subscription of Rs. 10 each.
 - (2) Rs. 20 is still in arrears towards subscription for the year 2010-2011.
 - (3) Carry forward Rs. 20 for the rent paid in advance.
 - (4) Outstanding salary Rs. 200.
 - (5) Land and Building Rs. 15,000 and Furniture Rs. 1,150 is standing in the books on 1st April, 2011 on which depreciation at 5% and 20% is to be written off respectively.
 - (6) Capital Fund on 01.04.2011 was Rs. 16,695.
 - (7) 50% of the entrance fees and full donations are to be capitalised.
- From the above Receipt and Payment Accounts and information prepare Income and Expenditure Accounts for the year ended 31st March, 2012 and Balance Sheet as on that date.

- Q7 Savita and Kavita are partners sharing profits and losses as 2:3. (15)
 Their Trail Balance as on 31st March, 2012 is given below. You are required to prepare :
 Trading and Profit and Loss Accounts for the year ending 31st March, 2012 and Balance sheet on that
 date taking into account the given adjustments.

Trail Balance as on 31st March, 2012

DEBIT	Amt Rs.	CREDIT	Amt Rs.
Purchase	98,000	Capital Accounts :	
Patent Rights	4,000	Savita	30,000
Building	1,00,000	Kavita	40,000
Stock on 01.04.2011	15,000	Providend Fund	7,000
Printing and Stationery	1,750	Creditors	45,000
Sundry Debtors	35,000	Bank Loan	12,000
Furniture and Stationery	8,000	Sales	1,58,000
10% Investments	10,000	Reserve For Doubtful Debts	250
(Purchased on 30.09.2011)		Purchase returns	3,500
Cash	23,200		
Providend Fund Contribution	800		
	2,95,750		2,95,750

Adjustments:

- (1) Closing Stock is valued at cost Rs. 15,000 while its market price is Rs. 18,000.
- (2) On 31st March, 2012 the stock of stationery was Rs. 500.
- (3) Create reserve for bad and doubtful debts at 5% on debtors.
- (4) Depreciate Building at 5% and patents at 10%.
- (5) Interest on capital is to be provided at 5%.
- (6) Goods worth Rs. 10,000 were destroyed by fire; the Insurance Company admitted a claim for Rs. 8,000.