

Krishna

B.K

Q.1

(A) State whether the following statements are True or False:

(05 mks)

- 1) Drawee can transfer the ownership of the bill.
- 2) Under Single Entry System, it is not possible to prepare Trial Balance.
- 3) Receipts and Payments Account is a Real Account.
- 4) The credit balance of revaluation account means profit on revaluation account.
- 5) When goodwill is paid privately, no entry in the books of account is required.

(B) Write a word/term/phrase as a substitute for each of the following statements:

(05 mks)

- 1) Account which is credited when goodwill is withdrawn by old partners.
- 2) Excess of expenditure over income.
- 3) The gift received from legal representative as per the will of a deceased person.
- 4) A Statement similar to Balance Sheet.
- 5) Non-payment of a bill on due date.

Q.2 Anav draws a bill on Dharmik for Rs.9000 at 3 months. Dharmik accepted the same and returned it to Anav. After one month, Anav discounted the same bill with the bank @ 8% p.a..

(10 mks)

On the due date, Dharmik dishonoured his acceptance and bank paid noting charges Rs.300. Dharmik requested Anav to renew the bill. He agreed on the condition that Dharmik should pay Rs.4,000 along with noting charges and interest Rs.400 in cash and should accept new bill for the balance at 2 months. These arrangements were carried through. One month before the due date, Dharmik retired his acceptance by paying Rs.4,850.

Pass journal entries in the books of Anav and prepare Dharmik's account in the books of Anav.

Q.3 Ojas keeps his books by single entry method. Following are the details of his business:

(08 mks)

Particulars	01. 04. 2017 Rs.	31. 03. 2018 Rs.
Land & Building	7,00,000	7,00,000
Machinery	1,50,000	1,70,000
Creditors	10,000	16,000
Investments	8,000	11,000
Debtors	20,000	40,000
Bills Payable	1,000	1,500
Cash in hand	2,000	6,000

Additional information:

- 1) Ojas transferred Rs.400 per month during first half year and Rs.200 per month for the remaining period from his business to his personal account.
- 2) Ojas received Rs.4,000 from his father as gift, which he brought into the business.
- 3) Provide 2½ % R.D.D. on debtors.
- 4) Depreciate machinery by 10% p.a.. Addition to machinery was made on 1st October, 2017.
- 5) Creditors are overvalued by Rs.6,000.

Prepare:

Opening and Closing Statement of Affairs and Statement of Profit or Loss for the year ended 31st March, 2018.

- Q.4** From the following Receipts and Payments Account of M.K.Mehta College for the year ending 31st March, 2014 and additional information, prepare Income and Expenditure Account for the year ended 31st March, 2014 and a Balance Sheet as on that date.

(12 mks)

Receipts and Payments Account for the year ending 31st March, 2014

Receipts	Amount Rs.	Payments	Amount Rs
To Balance b/d		By Salaries to Teaching Staff	70,000
Cash in Hand	20,900	By Electricity	11,000
To Subscription	46,000	By Books	50,000
To Life membership Fees	11,000	By Stationery	6,000
To Donation	80,000	By Balance c/d	
To Admission Fees	18,000	Cash in Hand	66,600
To Sundry Receipts	7,700		
To Sale of Furniture (Book value of Rs. 50,000)	20,000		
	2,03,600		2,03,600

Additional Information:

1)

Particulars	01. 04. 2013 Rs.	31. 03. 2014 Rs.
Books	2,00,000	2,30,000
Furniture	6,00,000	?
Building Fund	4,00,000	?
Capital Fund	4,20,900	?

2) 50% of Donations are for Building Fund and the balance is to be treated as revenue income.

3) Outstanding subscription Rs. 34,300.

4) Life Membership Fees are to be capitalised.

Q.5 Nitik and Tanush are partners in a business sharing profits & losses in the ratio 2:1 respectively. Their Balance Sheet as on 31st March, 2018 is as follows:

(10 mks)

Balance Sheet as on 31st March, 2018

Liabilities	Amount Rs.	Assets	Amount Rs.
Capital A/cs:		Building	1,00,000
Nitik	2,00,000	Machinery	30,000
Tanush	1,50,000	Stock	60,000
General Reserve	1,20,000	Debtors	3,00,000
Creditors	80,000	Cash	30,000
		Profit & Loss A/c	30,000
	5,50,000		5,50,000

They agreed to admit Rajan on 1st April, 2018 as a partner into the firm on the following terms:

1) Rajan to bring Rs.60,000 as capital and Rs.45,000 as Goodwill, which is to be retained in the business. He will be entitled to 1/4th share in profit of the firm.

2) 50% of General Reserve is to remain as Reserve for doubtful debts.

3) Machinery is to be depreciated by 5%.

4) Stock is to be revalued at Rs. 65,000.

5) Creditors of Rs. 5,000 are not likely to claim and hence should be written off.

6) Rent of Rs. 2,000 due but not received has not been recorded in the books.

Prepare:

Profit and Loss Adjustment Account, Partner's Capital Account and Balance Sheet of new firm.

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