

Answer the following questions:-

- 1A) Select the most appropriate alternatives from the following & rewrite the sentences : (05 marks)
1. To find out Net Profit or Net Loss of the business _____ account is prepared.
 - a) Trading
 - b) Capital
 - c) Current
 - d) Profit & Loss
 2. If asset is taken over by the partner, _____ account is debited.
 - a) Revaluation
 - b) Capital
 - c) Asset
 - d) Balance Sheet
 3. When the due date of a bill drawn falls due on a public holiday, the payment must be made on the _____ day.
 - a) same
 - b) preceding
 - c) next
 - d) any.
 4. Subscriptions received from the members is considered as _____ receipt.
 - a) Capital
 - b) Revenue
 - c) commercial
 - d) non- recurring
 5. The balance on the capital account of a partner, on his death is transferred to _____ account.
 - a) Relatives
 - b) Legal Heir's loan / Executors loan
 - c) Partner's capital
 - d) Partners Loan
- 1B) Write the word/phrase/term, which can substitute each of the following sentence. (05 marks)
1. Credit balance of Income and Expenditure Account.
 2. This ratio measures the relationship between gross profit and net sales.
 3. The shares on which dividend is not fixed.
 4. It is a damaged software, cracked nearly fully functional.
 5. The ratio in which the continuing partners are benefitted due to retirement of partner.
- 1C) Do you agree or disagree with the following statements:- (05 marks)
1. When goodwill is paid privately to the partners it is not recorded in the books.
 2. On dissolution Cash / Bank Account is closed automatically.
 3. Indirect expenses are debited to Trading Account.
 4. Income and Expenditure Account is Real Account.
 5. Retiring partner is not entitled to share in General Reserve and Accumulated Profit.
- 1D) Find the odd one (05 marks)
1. Salary, Royalty, Import Duty, Wages.
 2. Subscription, Stationery, Interest Received, Locker Rent received.
 3. Realisation account, Partners capital account, Balance Sheet, Bank account.
 4. Capital, Bills Receivable, Reserve Fund, Bank overdraft.
 5. Tenure, Stamp, Amount, Draft.

Q2) Mrs. Snehal and Mrs Meenal are equal partners in a business. Their Balance Sheet is as follows :

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/c			Premises		20,500
Snehal	80000		Investments		10,500
Meenal	<u>45000</u>	1,25,000	Equipments		5,000
			Bills Receivable		18,000
Creditors		46,000	Debtors		1,10,000
General Reserve		20,009	Less R.D.D.		<u>11,000</u>
			Bank Balance		38,000
		<u>1,91,000</u>			<u>1,91,000</u>

They agreed to admit Mrs. Komal on 1st April 2013 on the following terms :

- 1) Komal should bring ₹50,000 towards her capital for 1/4th share in future profit.
- 2) Goodwill to be raised in the books of the firm for ₹40,000.
- 3) R.D.D. to be maintained at 5% on Debtors.
- 4) Premises to be valued at ₹30,000 and equipments to be written off fully.
- 5) Creditors allowed a discount of ₹1,000 and they were paid off immediately.

Prepare Profit and Loss Adjustment A/c, Partners Capital Accounts and Balance Sheet of the new firm.

OR

Q2) Mamta, Manoj and Rupesh are partners in a firm sharing profits and losses in the proportion of 3:1:1 respectively. Their Balance Sheet as on 31st March, 2012 was as below :

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		4,000	Cash		1,250
General Reserve		5,000	Debtors		6,000
Bills Payable		2,500	Stock		5,000
Capital A/c			Land and Building		7,500
Mamta		12,500	Machinery		3,500
Manoj		10,000	Motor Vehicle		10,000
Rupesh		5,000	Goodwill		5,750
		<u>39,000</u>			<u>39,000</u>

On 1st April, 2012 Rupesh retired and following adjustments were agreed upon :

- 1) Goodwill was valued at ₹5,000.
- 2) Assets and Liabilities were revalued as follows : Debtors ₹5,000; Stock ₹4,500; Land and Building ₹12,500; Machinery ₹3,000; Motor Vehicle ₹9,500; and Creditors ₹3,000.
- 3) Mamta and Manoj contributed additional capital of ₹5,000 and ₹2,500 respectively.
- 4) Balance of Rupesh's capital account is transferred to his loan A/c.

Give journal entries in the books of the new firm.

Q3) Shweta, Nupur and Sanika are partners sharing profits and losses in the ratio of 3 : 2 : 1. Their Balance Sheet as on 31st March 2019 was as follows : (10 marks)

Balance Sheet as on 31st March 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c : Shweta Nupur	65,000 15,000	Sundry assets	1,60,000
Sundry creditors	95,000	Cash at Bank	5,000
		Capital A/c : Sanika	10,000
	<u>1,75,000</u>		<u>1,75,000</u>

The firm is dissolved on 31st March 2019.

Sundry assets realised @ 60% of its book value. Realisation expenses ₹2000 paid by Shweta.

Nupur and Sanika both are insolvent.

Nupurs private estate has got a surplus of ₹3,000 and that of Sanika is ₹8,000

Show necessary ledger accounts to close the books of the firm.

OR

Q3) Asha purchased goods worth ₹10,000 from Amar. Amar draws a bill for ₹10,000 which is accepted by Asha. Before the due date Asha approached Amar for renewal of the bill. Amar agreed on the condition that Asha pays ₹6,000 immediately in cash along with interest ₹200 and Asha should accept a new bill for the balance amount. These arrangements were carried through. The new bill was honoured on the due date.

Pass necessary journal entries in the books of Asha and open Ashas A/c in the ledger of Amar.

(10 marks)

Q4) Shri Ram Ltd issued 2,00,000 equity shares of ₹10 each at a premium of ₹2 per share payable as ₹3 on application (08 marks)

₹5 on allotment (including ₹2 premium)

₹4 on first and final call

Applications were received for 2,40,000 equity shares and pro-rata allotment was made to all the applicants.

The excess application money was adjusted with allotment. Madhuri who was allotted 400 shares failed to pay first and final call and her shares were forfeited.

Pass journal entries in the books of Shri Ram Ltd.

OR

Q4) Explain the importance of Computerised accounting system.

(08 marks)

Q5) Rohit, Sachin and Virat were sharing profits and losses in the ratio of 7 : 5 : 4 respectively. Their Balance sheet as on 31st March 2017 was as follows. (08 marks)

Balance Sheet as on 31st March 2017

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Stock	17,000
Rohit	23,000	Furniture	18,000
Sachin	15,000	Land & Building	16,000
Virat	12,000	Bank	37,000
Bills Payable	2,000		
Creditors	8,000		
Bank Loan	12,000		
General Reserve	16,000		
	88,000		88,000

Mr. Virat died on 30th June 2017 and the following adjustments were agreed as per deed.

1. Stock, Furniture and Land and Building are to be revalued at ₹16,700, ₹16,200, ₹30,100 respectively.
2. Virat's share in goodwill is to be valued from firm's goodwill which was valued at three times of the average profit of last four years. Profit of the last four years : I ₹30,000, II ₹25,000, III ₹25,000, IV ₹40,000.
3. His Profit up to death is to be calculated on the basis of profit of last year.
4. Virat was entitled to get a Salary of ₹1200 per month.
5. Interest on capital at 10% to be allowed.
6. Virat's drawings up to the date of death was ₹900 per month.

Prepare : Virat's Capital Account showing amount payable to his executor.

Give working notes for share of Goodwill .

OR

Q5. Calculate Current Ratio, Gross Profit Ratio and Net Profit Ratio from the following Information : (08 marks)

Debtors	₹60,000
Creditors	₹30,000
Bills payable	₹20,000
Stock	₹30,000
Loose Tools	₹10,000
Bank Overdraft	₹10,000
Sales (net)	₹5,00,000
Gross Profit	₹1,50,000
Net Profit	₹1,00,000

Q6) The Receipts and Payments Account of Gayatri Mahila Mandal for the year ending 31st March 2018 is given below. Prepare an Income and Expenditure account for the year ending 31-03-2018 and Balance Sheet as on that date. (12 marks)

Receipts and Payments Account for the year ending 31st March 2018

Dr.

Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Stationary	6,000
Cash in Hand 3,000		By Repairs to Furniture	950
Cash at Bank <u>20,000</u>	23,000	By Rent	8,300
To Entrance Fees	3,500	By Salaries	15,000
To Subscription	19,000	By Conveyance	450
To Miscellaneous Receipts	850	By Balance c/d	
		Cash in hand 1,650	
		Cash at Bank <u>14,000</u>	15,650
	<u>46,350</u>		<u>46,350</u>

Adjustments:

- 1) Capital Fund on 1st April 2017 was ₹90,000.
- 2) Outstanding subscription ₹4,000.
- 3) Entrance fees are to be capitalised.
- 4) Rent paid includes ₹800 paid for April 2018.
- 5) Subscription received in advance ₹1,000.
- 6) They have following Assets and Liabilities as on 01-04-2017 : Furniture ₹9,000, Building ₹70,000 and Outstanding Expenses ₹12,000.

Please turn over

Q7) From the following Trial Balance of Yuvaan and Shaurya, you are required to prepare Trading and Profit and Loss Account for the year ended on 31st March 2019 and Balance Sheet as on that date : (12 marks)

Trial Balance as on 31st March, 2019

Particulars	Debit Amount (₹)	Particulars	Credit Amount (₹)
Stock (1-4-2018)	30,800	Capital Accounts Yuvaan Shaurya	60,000 60,000
Purchases	80,000	Sundry Creditors	20,500
Salaries	5,000	Sales	99,550
Wages	7,500		
Printing and Stationary	1,050		
Sundry Debtors	43,000		
Furniture	20,200		
Advertisement	30,000		
Bad debts	500		
Cash in hand	7,000		
Fixed Deposits	15,000		
	<u>2,40,050</u>		<u>2,40,050</u>

Adjustments :

- 1) Stock on hand on 31st March, 2019 was cost price ₹40,000 and market price ₹35,000.
- 2) Provide R.D.D. at 2.5 % on sundry debtors.
- 3) Depreciate furniture by 5%.
- 4) Goods of ₹ 8,000 destroyed by fire and insurance company admitted a claim of ₹6,000 only.
