

Q.1. Attempt the following : (20)

(A) Give One word/phrase/term for the following: (5)

- 1 The expenses which are not directly related to production or purchases.
- 2 The ratio in which the profit on revaluation of assets & liabilities is shared by partners on admission.
- 3 This type of trade bill doesn't have a specific period or tenure.
- 4 Donation collected for a specific purpose/reason.
- 5 The fees paid by the member at the time of joining the NPO.

(B) Find the Odd one: (5)

- 1 Wages A/c, Wages & Salaries A/c, Productive Wages A/c, Salaries & Wages A/c.
- 2 Salesman's Commission, Export Duty, Advertising, Office rent.
- 3 Entrance fees, Legacy, Subscription, Life membership fees.
- 4 Gross Profit ratio, Net Profit ratio, Operating Expenses ratio, Current ratio.
- 5 Hardware, Software, Human ware, Delta.

(C) State whether you Agree or Disagree with the following statements: (5)

- 1 All asset A/cs are transferred to Realization A/c on dissolution of the firm.
- 2 General Reserve is distributed among old partners on admission, unless mentioned specifically.
- 3 Interest due on loan taken from a partner is credited to his capital A/c by the firm.
- 4 Dues of the deceased partner are paid through his capital A/c.
- 5 Fluctuating Capital Method shows the capital introduced by the partner.

(D) Complete the following sentences: (5)

- 1 Asset taken over by a partner is debited to _____ A/c.
- 2 If all partners become insolvent, the unpaid amount should be transferred to _____ A/c.
- 3 When drawee accept the bill without any modification, it is called _____ acceptance.
- 4 The maximum amount of capital that a company can raise by its Memorandum of Association is _____.
- 5 Balance in the Capital A/c of retiring partner is transferred to his _____.

Q.2. Reshma and Sushma are partners in a firm sharing profit & losses in the ratio 4:1 (10)

Balance Sheet as on 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Premises	27,000
Reshma 50,000		Plant & Machinery	26,000
Sushma 15,000	65,000	Stock	22,000
Sundry Creditors	35,000	Debtors 25,000	
Bills Payable	8,000	Less: RDD 1250	23,750
		Cash	2250
		Goodwill	7,000
	1,08,000		1,08,000

Asma was admitted on 1.4.21 on the following terms:

1. Asma to bring in ₹10,000 as her capital for 1/6th share in future profit.
2. Goodwill be raised in the books to ₹12,000 & written off after Asma's admission.
3. The assets & liabilities be revalued as under:
 - a) Premises were found undervalued by 10% while the stock was found overvalued by 10%.
 - b) All debtors were found good.
 - c) Sundry creditors for ₹1000 waived their claim.

Prepare: Revaluation A/c, Partners Capital A/c and the Balance sheet of the new firm after admission.
OR

Q. 2. Following is the Balance Sheet of Sam, Tom and Ron, who shared profits and losses in the ratio of 5:3:2 respectively. (10)

Balance Sheet as on 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Accounts:		Land and Buildings	2,50,000
Sam	2,00,000	Plant and Machinery	70,000
Tom	1,50,000	Furniture	20,000
Ron	1,00,000	Sundry Debtors	90,000
Reserve Fund	50,000	Stock	56,500
Sundry Creditors	42,800	Bills Receivable	7,400
Bills Payable	6,000	Cash in Hand	3,700
		Cash at Bank	51,200
	5,48,800		5,48,800

Ron retired on 31st March, 2021 on the following terms:

1. Goodwill of the firm was valued at Rs. 60,000. It was decided that 'Goodwill' should be raised to the extent of Ron's share only and to be written off immediately.
2. Land and Building to be appreciated by Rs. 20,000. Stock is revalued at Rs. 58,500. Furniture is to be depreciated by 10%.
3. Amount payable to Ron's is to be transferred to his Loan Account.

Give Journal Entries in the books of the firm.

Q.3. Prisha, Pratiksha and Pranali were partners sharing profits and losses in the ratio of their capitals. (08)

Balance Sheet as on 31st March, 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	23,400	Bank	14,500
Bills Payable	13,600	Investments	19,000
Loan	15,000	Debtors	20,000
Reserve Fund	6,000	Less: R.D.D.	<u>1,000</u>
Capitals:		Stock	10,000
Prisha	25,000	Furniture	14,500
Pratiksha	15,000	Vehicles	18,000
Pranali	10,000	Land and Building	13,000
	1,08,000		1,08,000

Pratiksha died on 31st July, 2021 and the following adjustments as per partnership deed has to be followed:

1. **Assets and liabilities to be revalued as under:**

Land and Building be appreciated by 20% and Vehicles be appreciated by Rs. 2,000. Stock to be revalued at Rs. 7,500; Furniture at Rs. 20,000; Bills Payable at Rs. 13,000. R.D.D. be maintained at 10% on debtors.

2. Pratiksha's share of profit up to the date of death to be based on average profit of last 3 years.

3. Pratiksha's share of goodwill be calculated at 2 times the average profit of last 5 years which were: 2016-17 Rs. 6,000 profit; 2017-18 Rs. 3,000 loss; 2018-19 Rs. 5,000 profit; 2019-20 Rs. 10,000 profit and 2020-21 Rs. 12,000 profit.

4. Pratiksha's had withdrawn for personal use Rs. 3,000 up to her death.

5. Interest on capital is to be allowed at 10% p.a. & interest on drawings to be charged at Rs. 30.

Show: (A) Pratiksha's Capital A/c

(B) Working of Pratiksha's share of Goodwill

(C) Working of Pratiksha's share of Profit up to the date of her death.

OR

Q.3. Balance Sheet of XYZ Ltd for the year ending 31.3.21 is given below. (08)

Balance Sheet as on 31.3.21

Liabilities	Amount (₹)	Assets	Amount (₹)
Equity share capital	9,00,000	Fixed Assets	11,00,000
Preference share capital	60,000	Investment	7,70,000
Reserve & surplus	1,35,000	Current Assets	4,20,000
Secured Loans	5,45,000		
Unsecured Loans	5,00,000		
Current Liabilities	1,50,000		
	22,90,000		22,90,000

Prepare Common Size Statement for the year ending 31.3.2021.

Q.4 The Balance Sheet of Priti, Priya and Prerna as on 31st March 2021 was as under:

Balance Sheet as on 31st March 2021

Liabilities	Amount (₹)	Assets	Amount (₹)
		Cash in hand	250
Sundry Creditors	25,000	Stock	4,000
Priti's Loan	5,000	Debtors	5,000
Capital A/cs:		Plant & Machinery	10,000
Priti	4,000	Furniture and Fittings	4,000
Prerna	2,500	Land and Building	10,000
		Priya's Capital A/c	3,250
	36,500		36,500

On the above date, all partners were declared insolvent and the following transactions took place:

1. Prerna and Priti couldn't contribute anything while Priya could pay only ₹ 1,000 as final dividend from her private estate.
2. Assets realized as follows: Stock ₹ 2,500, Plant and Machinery ₹ 5,000, Furniture & Fittings ₹ 1,000, Land and Building ₹ 4,000 and Debtors ₹ 2,750.
3. Realisation Expenses amounted to ₹ 250

You are required to prepare necessary accounts to close the books of the firm.

OR

Q.4. Vikrant sold goods worth ₹34,000 to Vishwajeet who paid ₹14,000 immediately and accepted a bill for 4 months for the balance. After a month, Vikrant discounted the bill with his bank at 15% p.a. (10)

On the due date, bank informed that the bill was dishonoured and the noting charges of ₹ 250 were paid by them. Vishwajeet paid ₹ 10,000 in cash along with noting charges to Vikrant and accepted a new bill for the balance amount with interest at 12% p.a. for 3 months.

Before the due date Vishwajeet was declared insolvent and he could pay only 75 paise in a rupee from his estate as full and final dividend.

Pass Journal Entries in the books of Vikrant and Vikrant's A/c in the books of Vishwajeet.

- Q.5.** Aniket Ltd. issued **45,000** Equity shares of the face value of ₹10 each. Out of which 5,000 shares were issued to promoters and the rest were offered to public for subscription. The face value of was payable as follows:

On Application ₹ 2 On Allotment ₹ 6 On Call ₹ 2

The company received application for **50,000** equity shares. Allotment of shares was made on pro-rata basis. Excess application money were adjusted to allotment. Amount due on share allotment and call was received from all shareholders except Mr. Satish who was holding 1,000 shares. He failed to pay the call money. His shares were forfeited and re-issued @ Rs.6 per share as fully paid shares. Share issue expenses amounted to Rs.5,000.

Pass Journal Entries in the books of Aniket Ltd.

OR

- Q.5.** What do you mean by Accounting Software? Describe the various types of Accounting Software.

- Q.6.** Following is Receipt and Payments Account of Modern Cricket Club.

Receipts and Payments Account for the year ended 31st March, 2021

Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d	1,040	By Salaries	1,300
To Subscription:		By Entertainment Expenses	645
2019-20	85	By Electricity Expenses	234
2020-21	4,000	By General Expenses	350
2021-22	103	By Rent and Taxes	120
To Donations	1,200	By Investments	3,000
To Entertainment Receipts	876	By Printing and Stationery	241
To Interest	81	By Expenses 2019-20	600
To Entrance Fees	1,000	By Fixed Deposits	1,000
		By Balance c/d	895
	8,385		8385

Additional Information:

- Club has 450 members paying an annual subscription of Rs.10 each.
- Rs.20 is still arrears towards subscription for the year 2019-20.
- Carry forward Rs.20 for rent paid in advance.
- Outstanding salaries Rs.200.
- Land and building Rs.15,000 and furniture Rs.1,150 were standing in the books on 1st April, 2020, on which depreciation @ 5% and 20% is to be written off respectively.
- 50% of the entrance fees and full donations are to be capitalised.

From the above Receipts and Payments Account and information, prepare Income and Expenditure Account for the year ended 31st March, 2021 and Balance Sheet as on that date.

- Q.7.** The Trial Balance of Shital and Shilpa, partners in a firm, as on 31st March, 2021 is as follows:

Trial Balance as on 31.03.2021

Particulars	Amount Debit (₹)	Amount Credit (₹)
Stock (1-4-2020)	44000	
Purchases and Sales	1,70,000	3,20,000
Return Inward	10,000	
Carriage	4,000	
Motive Power	6,000	
Wages	56,000	
Trade Expenses	4,000	
Debtors and Creditors	72,000	40,000
Salaries	38,000	
Insurance	2,400	
Postage	3,600	
Commission	5,000	4,000
Plant and Machinery	60,000	
Furniture	16,000	
Advertisement	8,000	
Office Rent (for 10 months)	10,000	
Drawings: Shital	14,000	
Shilpa	6,000	
Bank Loan		32,000
Buildings	24,000	
Capital: Shital		80,000
Shilpa		80,000
Cash in hand	3,000	
Total	5,56,000	5,56,000

Adjustments:

- Closing Stock was valued at cost price Rs. 80,000 and market price Rs.72,000.

2. Depreciate Plant and Machinery and Building at 20% and 10% p.a. respectively.
3. Insurance is paid for one year ending on 30-6-2020.
4. Bad debts, were Rs. 2000 and provide for R.D.D. at 5% on Debtors.
5. Goods worth Rs. 6000 were purchased on 31-3-2021 and included in closing stock but not recorded in the books.
6. Goods withdrawn by Shital of Rs. 10,000 during the year were not recorded in the books.

Prepare Trading and Profit and Loss Account for the year ended on 31st March,2021 and the Balance Sheet as on that date.

R. A. PODAR COLLEGE OF COMMERCE AND ECONOMICS , MATUNGA