

**AVJC KHAR (E) MUMBAI-51**  
**Preliminary Exam 2020-2021**

**Std.:-XII                      Sub:-B.K.                      Time:-3Hrs                      Marks:-80**

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**Q.1.(A) Complete the sentence. (05)**

- 1) Partnership business must be .....
- 2) Income and Expenditure A/C is a ..... Account.
- 3) ..... Shareholders get fixed rate of dividend.
- 4) Revaluation A/C is also known as ..... Account.
- 5) There are ..... parties to bills of exchange.

**Q.1.(B) Write the word/phrase/term which can substitute each of the following Statements. (05)**

- 1) Act under which partnership firms are regulated.
- 2) Excess of Income over Expenditure of a Not for Profit concern.
- 3) Reputation of business measured in terms of money.
- 4) Winding up of partnership business.
- 5) A bill drawn in India and made payable in Japan.

**Q.1.(C) Find the odd one. (05)**

- 1) Postage , Stationary , Advertisement , Purchases.
- 2) Machinery , Loose tools , Bills Receivable , Bills Payable.
- 3) General Reserve , Creditors , Furniture , Capital.
- 4) Drawer , Drawee , Notary Public , Payee.
- 5) Discovering Charges , Rebate , Bank charges , Noting charges.

**Q.1.(D) Complete the following table. (05)**

- |                                                                 |                    |                       |
|-----------------------------------------------------------------|--------------------|-----------------------|
| 1) Income (Rs.)                                                 | Expenditure (Rs.)  | Surplus/Deficit (Rs.) |
| 10,000                                                          | ?                  | 5,000 (Deficit)       |
| 2) ?                                                            | 15,000             | 8,000 (Surplus)       |
| 3) ..... = $\frac{\text{Total profit}}{\text{Number of years}}$ |                    |                       |
| 4) Debitside total of Realisation A/C = Rs.20,000               |                    |                       |
| Creditside total of Realisation A/C = ?                         |                    |                       |
| Loss on Realisation A/C = Rs.5,000                              |                    |                       |
| 5) Date of Drawing                                              | Date of Acceptance | Period                |
| 10.05.2019                                                      | 12.05.2019         | 3months               |
|                                                                 |                    | Due Date              |
|                                                                 |                    | ?                     |

**Q.2. Ram and Rahim were partners in a firm sharing profits and losses equally. Following was their balance sheet as on 31.03.2019. (10)**

**Balance sheet as on 31.03.2019**

Liabilities	Amounts (Rs.)	Assets	Amounts (Rs.)
General Reserve	40,000	Cash in hand	4,000
Sundry Creditors	55,000	Cash in Bank	27,000
Capital A/C's :-		Stock	68,000
Ram	1,00,000	Sundry Debtors	91,000
Rahim	1,00,000	Furniture	15,000
		Plant and Machinery	90,000
	2,95,000		2,95,000

On 1<sup>st</sup> April 2019 John was admitted as a partner in the firm on the following terms :-

- 1) John is to bring Rs.1,00,000 as his capital.
- 2) Furniture is to be depreciated by 10%.
- 3) Stock was valued at Rs.70,500.
- 4) Goodwill of the firm to be raised at Rs.30,000.

It was decided that 'Goodwill' should not appear in the books of the new firm.

**Prepare:- 1) Revaluation A/C 2) Partners A/C 3) New Balance sheet as on 01.04.2019.**

**OR**

**Q.2. Following is the balance sheet of Sharmila, Urmila and Pramila, who shared Profits and losses in the ratio of 5:3:2 respectively. (10)**

Liabilities	Amount (Rs.)	Assets	Amount(Rs.)
Reserve Fund	50,000	Cash in hand	3,700
Sundry Creditors	6,000	Cash at Bank	51,200
Bills Payable	42,800	Bills Receivable	7,400
Capital Accounts :-		Stock	56,500
Sharmila	2,00,000	Sundry Debtors	90,000
Urmila	1,50,000	Furniture	20,000
Pramila	1,00,000	Plant and Machinery	70,000
		Land and Building	2,50,000
	5,48,800		5,48,800

Pramila retired on 31<sup>st</sup> march 2019 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 Pramila's share only and to be written off immediately.
- 2) Land and Building to be appreciated by Rs.20,000 and Stock is revalued at Rs.58,500.
- 3) Furniture is to be depreciated by 10%.
- 4) Amount Payable to Pramila is to be transferred to her Loan Account.

**Prepare:- P & L Adjustment A/C , Capital A/C and New Balance sheet.**

**Q.3.Solve any 'ONE' of the following. (10)**

**Virat and Rohit were partners in a firm sharing profits and losses in the ratio of 3:2 respectively. Their Balance sheet as on 31<sup>st</sup> March 2020 was as follows:-**

**Balance sheet as on 31<sup>st</sup> March 2020**

Liabilities	Amounts (Rs.)	Assets	Amount (Rs.)
Capital Accounts:-		Plant and Machinery	40,000
Virat	60,000	Furniture	12,000
Rohit	40,000	Sundry Drs.	61,000
General Reserve	20,000	(-) R.D.D.	-1,000
Sundry Creditors	39,700	Stock	28,300
		Bank	9,400
	1,59,700		1,59,700

On the above date, the firm was dissolved and the assets realized were as follows:-

- 1) Plant and Machinery Rs.30,000 ; Sundry Debtors Rs.58,000.
- 2) Furniture was taken over by Virat for Rs.10,000 and Stock was taken over by Rohit for Rs.27,000.
- 3) Sundry Creditors were paid Rs.38,000 in full settlement of the claim.
- 4) Realization expenses amounted to Rs.2,000.

**Prepare:-1) Realisation A/C      2) Partners Capital A/C      3) Bank Account.**

**OR**

**Q.3.** Rahul sold goods for Rs.7,000 to Hardik. Hardik accepted a bill of Rs.7,000 drawn by Rahul at 3 months. Rahul got the bill discounted with his bank at 12% p.a. Before the due date Hardik approached Rahul for renewal of the bill. Rahul agreed on the condition that Rs.4,000 be paid immediately and for the balance due he should accept a new bill for 3 months together with Interest of Rs.150. These arrangements were carried through. Afterwards Hardik retired the bill by paying Rs.3,100. **Pass Journal Entries in the books of 'Rahul'** (10)

**Q.4.Modern Chemicals Co.Ltd. made an issue of 60,000 shares of Rs.20 each payable as follows:- (08)**

On application Rs.5 per share, on allotment Rs.5 per share

On first call Rs.4 per share, on second call Rs.3 per share.

The company received application for 65,000 shares of which application for 5,000 shares were rejected and money refunded.

All the shareholders paid up to second call except one shareholder, Mr.Mahendra, the allottee of 100 shares, who did not pay the amount of the second call.

**Give Journal Entries in the books of 'Modern Chemicals Co.Ltd'.**

**OR**

**Q.4.Distinguish between Manual Accounting Process and Computerized Accounting Process. (08)**

**Q.5.A,B And C were partners sharing profits and losses in the ratio of 2:2:1 respectively. Their balance sheet as on 31<sup>st</sup> March 2020 was as follows:-**

**Balance sheet as on 31<sup>st</sup> March 2020**

<b>Liabilities</b>	<b>Amount (Rs.)</b>	<b>Assets</b>	<b>Amount (Rs.)</b>
Creditors	10,000	Plant and Machinery	50,000
Bills Payable	5,000	Stock of Goods	50,000
Bank Loan	5,000	Investment	10,000
General Reserve	10,000	Debtors	22,000
Capital Account:-		Less: R.D.D	2,500
Rajendra	40,000	Cash in hand	500
Mahendra	40,000		
Jitendra	20,000		
	1,30,000		1,30,000

'Jitendra' died on 1<sup>st</sup> Oct 2020 and the adjustment were agreed as per the deed as follows:-

- 1) Stock of Goods to be reduced by Rs.3,000.
- 2) All Debtors were good and Plant & Machinery to be valued at Rs.60,000.
- 3) The drawings of 'Jitendra' up to the date of his death amounted to Rs.400 per month.
- 4) Interest on Capital was to be allowed at 10% p.a.
- 5) The deceased partners share a Goodwill is to be valued at 2 years purchase of average profit of last 3 years. The last 3 years profit were:- 2017-18: Rs.15,000, 2018-19: Rs.17,000, 2019-2020; Rs.13,000.
- 6) The 'Jitendra's share of profit up to the date of his death should be based on average profit of last 2 years.

**Prepare:- Profit and Loss Adjustment A/C, Jitendra's Capital A/C, Showing the balance payable to his executors loan A/C. Working note for the Share of Goodwill and Profit up to the date of death. (08)**

**OR**

**Q.5.(A) State the limitations of financial statement analysis. (04)**

**(B) Explain the Return on Investment (ROI). (04)**

**Q.6.Marathi Vishwa Kaksha Centre, Pune has given you the following information from which you are required to prepare :-**

- 1) Income and Expenditure A/C for the year ended 31<sup>st</sup> March 2019 &**
- 2) Balance sheet as on that date. (12)**

**Receipts and Payments A/C for the year ending 31.03.2019**

<b>Receipts</b>	<b>Amount (Rs.)</b>	<b>Payments</b>	<b>Amount (Rs.)</b>
To balance b/d		By Stationery	5,000
Cash in hand	13,000	By Furniture (purchased on 1.1.2019)	50,000
Cash at bank	95,000	By Investments	1,00,000
To Locker Rent	5,000	By Expenses of Drama	33,500
To Entrance Fees	19,000	By Postage and Telegram	2,500
To Sale of old newspapers	1,500	By Magazines and Newspapers	4,000
To Receipts from Drama	78,500	By Salaries	22,000
To Legacies	1,10,000	By Balance c/d	
To Miscellaneous Receipts	8,000	Cash in hand	3,000
		Cash at bank	1,10,000
	3,30,000		3,30,000

**Additional information :-**

- 1) Capital fund on 1.4.2018 was Rs.1,08,000.
- 2) Legacies are to be capitalized.
- 3) Outstanding salary Rs.3,000.
- 4) 50% of Entrance fees is to be capitalized.
- 5) Depreciate Furniture @ 10% p.a.

**Q.7.Amit and Akshay are partners sharing profit and losses in the ratio of 2:3. Their Trial Balance on 31<sup>st</sup> March 2018 is given below. You are required to prepare Trading and Profit & Loss A/C for the year ending 31<sup>st</sup> March 2018 & Balance sheet as on that date after taking into account the given adjustments. (12)**

**Trial Balance as on 31.03.2018**

<b>Debit Balances</b>	<b>Amount (Rs.)</b>	<b>Credit Balances</b>	<b>Amount (Rs.)</b>
Purchases	98,000	Capital Accounts:-	
Patents Rights	4,000	Amit	30,000
Building	1,00,000	Akshay	40,000
Stock (01.04.2017)	15,000	Providend Fund	7,000
Printing and Stationary	1,750	Creditors	45,000
Sundry Debtors	35,000	Bank Loan	12,000
Furniture and Fixtures	8,000	Sales	1,58,000
10% Investments (purchased on 30.09.2017)	10,000	R.D.D	250
Cash	23,200	Purchase Returns	3,500
Provided 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 31<sup>st</sup> March 2018 the Stock of Stationary was Rs.500.
- 3) Create Reserve for Bad and Doubtful Debts at 5% on Sundry 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.

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