

**Book Keeping &  
Accountancy  
March 2023  
Solution**

Q2 ..... 10 Marks

In The Books of Partnership Firm  
Profit and Loss Adjustment Account / Revaluation Account

Dr.

Cr.

| MARKS | Particulars                        | Amt (₹) | Particulars     | Amt (₹) | MARKS |
|-------|------------------------------------|---------|-----------------|---------|-------|
| 1/2   | To Machinery A/c                   | 4200    | By Building A/c | 6000    | 1/2   |
| 1/2   | To R.D.D A/c                       | 2700    | By Stock A/c    | 5600    | 1/2   |
| 1/2   | To Furniture A/c                   | 180     |                 |         |       |
|       | <u>To Partners Current Account</u> |         |                 |         |       |
|       | Aditya                             | 2592    |                 |         |       |
| 1/2   | Chaitanya                          | 1728    |                 |         |       |
|       |                                    | 4320    |                 |         |       |
| 2     |                                    | 11,400  |                 | 11,400  | 1     |

Partners Current Account

Dr.

Cr

| Particulars    | Aditya<br>Amt (₹) | Chaitanya<br>Amt (₹) | Particulars                        | Aditya<br>Amt (₹) | Chaitanya<br>Amt (₹) |
|----------------|-------------------|----------------------|------------------------------------|-------------------|----------------------|
| To Cash A/c    | 1,800             | 1,200                | By Balance b/d                     | 7500              | 6900                 |
| To Balance c/d | 11,892            | 9,828                | By Goodwill A/c                    | 3600              | 2400                 |
|                |                   |                      | By Profit & loss<br>Adjustment A/c | 2592              | 1728                 |
|                | 13,692            | 11,028               |                                    | 13,692            | 11,028               |

# Balance - sheet (After Admission)

As on 1<sup>st</sup> April 2019

| liabilities                 | Amt (₹) | Amt (₹)    | Assets                 | Amt (₹) | Amt (₹)    |
|-----------------------------|---------|------------|------------------------|---------|------------|
| <u>Partners Capital A/c</u> |         |            | Building               | 30 000  |            |
| Aditya                      | 42 000  |            | ADD :- Appreciation    | 6 000   | 36 000     |
| Chaitanya                   | 42 000  |            |                        |         |            |
| Sachin                      | 18 000  | 1, 02, 000 | Furniture              | 1 800   |            |
|                             |         |            | (less) :- Depreciation | (180)   | 1 620      |
| <u>Current Account</u>      |         |            |                        |         |            |
| Aditya                      | 11, 892 |            | Machinery              | 42 000  |            |
| Chaitanya                   | 9 828   | 21, 720    | (less) :- Depreciation | (4 200) | 37 800     |
|                             |         |            |                        |         |            |
| Creditors                   |         | 60, 000    | Debtors                | 54 000  |            |
|                             |         |            | (less) :- R.D.D        | (2 700) | 51, 300    |
|                             |         |            | Cash                   |         | 27 000     |
|                             |         |            | Stock                  | 24 600  |            |
|                             |         |            | ADD :- Appreciation    | 5 400   | 30 000     |
|                             |         | 1, 83, 720 |                        |         | 1, 83, 720 |

## Scheme of Marking

1. Profit & loss Adjustment Account = 3 marks  
(6 items x 1/2 mark each)
2. Partners Current Account = 2 marks  
(8 items x 1/2 mark each)  
(Excluding opening Balance)
3. Balance sheet of new firm = 5 marks

10 marks



Q2

10 Marks

In The Books of Partnership Firm  
Profit and Loss Adjustment Account / Revaluation Account

Dr.

Cr.

| Particulars      | Amt (₹)     | Particulars                        | Amt (₹)     |
|------------------|-------------|------------------------------------|-------------|
| To Furniture A/c | 2000        | By R.D.D A/c                       | 2400        |
| To Machinery A/c | 4000        |                                    |             |
| To Motor Car A/c | 2400        | By <u>Partners Capital Account</u> |             |
|                  |             | → Amar                             | 2000        |
|                  |             | → Akbar                            | 2000        |
|                  |             | → Anthony                          | 2000        |
|                  |             |                                    | <u>6000</u> |
|                  | <u>8400</u> |                                    | <u>8400</u> |

Partners Capital Account

Dr.

Cr

| Particulars                        | Amar<br>Amt (₹) | Akbar<br>Amt (₹) | Anthony<br>Amt (₹) | Particulars               | Amar<br>Amt (₹) | Akbar<br>Amt (₹) | Anthony<br>Amt (₹) |
|------------------------------------|-----------------|------------------|--------------------|---------------------------|-----------------|------------------|--------------------|
| To Profit & loss A/c               | 3000            | 3000             | 3000               | By Balance b/d            | 57,400          | 63,600           | 60,000             |
| To Profit & loss<br>Adjustment A/c | 2000            | 2000             | 2000               | By Goodwill A/c           | 10,000          |                  |                    |
| To Cash A/c                        | 20000           | —                | —                  | By General<br>Reserve A/c | 8000            | 8000             | 8000               |
| To Amar's loan                     | <u>50400</u>    |                  |                    |                           |                 |                  |                    |
| To Balance c/d                     |                 | <u>66600</u>     | <u>63000</u>       |                           |                 |                  |                    |
|                                    | <u>75,400</u>   | <u>71,600</u>    | <u>68,000</u>      |                           | <u>75,400</u>   | <u>71,600</u>    | <u>68,000</u>      |

# Balance - sheet (After Retirement)

As on 1<sup>st</sup> April 2019

| liabilities                 | Amt (₹) | Amt (₹)           | Assets                 | Amt (₹) | Amt (₹)           |
|-----------------------------|---------|-------------------|------------------------|---------|-------------------|
| <u>Partners Capital A/c</u> |         |                   | Motor Car              | 50 000  |                   |
| Akbar                       | 66,600  |                   | (less) :- Depreciation | (2400)  | 47 600            |
| Anthony                     | 63,000  | 1, 29, 600        |                        |         |                   |
| Amar's loan A/c             |         | 50400             | Furniture              | 30 000  |                   |
|                             |         |                   | (less) :- Depreciation | (2000)  | 28 000            |
| Creditors                   |         | 31 000            | Machinery              | 80 000  |                   |
|                             |         |                   | (less) :- Depreciation | (4000)  | 76 000            |
|                             |         |                   | Debtors                | 32 000  |                   |
|                             |         |                   | (less) :- R.D.D        | (1600)  | 30 400            |
|                             |         |                   | Cash                   |         | 19 000            |
|                             |         |                   | Goodwill               |         | 10 000            |
|                             |         | <u>2, 11, 000</u> |                        |         | <u>2, 11, 000</u> |

Q3 Dissolution  
Dr.

Realisation Account

Cr.

| Particulars             | Amt (₹)  | Amt (₹)  | Particulars                    | Amt (₹) | Amt (₹) |
|-------------------------|----------|----------|--------------------------------|---------|---------|
| To <u>Sundry Assets</u> |          |          | By <u>Sundry liabilities</u>   |         |         |
| → Machinery             | 1 00 000 |          | → Creditors                    | 20 000  |         |
| → Debtors               | 50 000   |          | → Bills Payable                | 10 000  | 30 000  |
| → Stock                 | 70 000   | 2,20,000 |                                |         |         |
| To <u>Bank A/c</u>      |          |          | By <u>Bank A/c</u>             |         |         |
| → Creditors             | 18 000   |          | → Machinery                    | 60 000  |         |
| → Bills Payable         | 9 000    | 27 000   | → Debtors                      | 30 000  | 90 000  |
|                         |          |          | By Hema Capital A/c<br>(stock) |         | 50 000  |
|                         |          |          | By <u>Partners Capital A/c</u> |         |         |
|                         |          |          | Hema                           | 38 500  |         |
|                         |          |          | Manisha                        | 23 100  |         |
|                         |          |          | Limsy                          | 15 400  | 77 000  |
|                         |          | 247 000  |                                |         | 247 000 |

Dr.

Partners Capital Account

Cr.

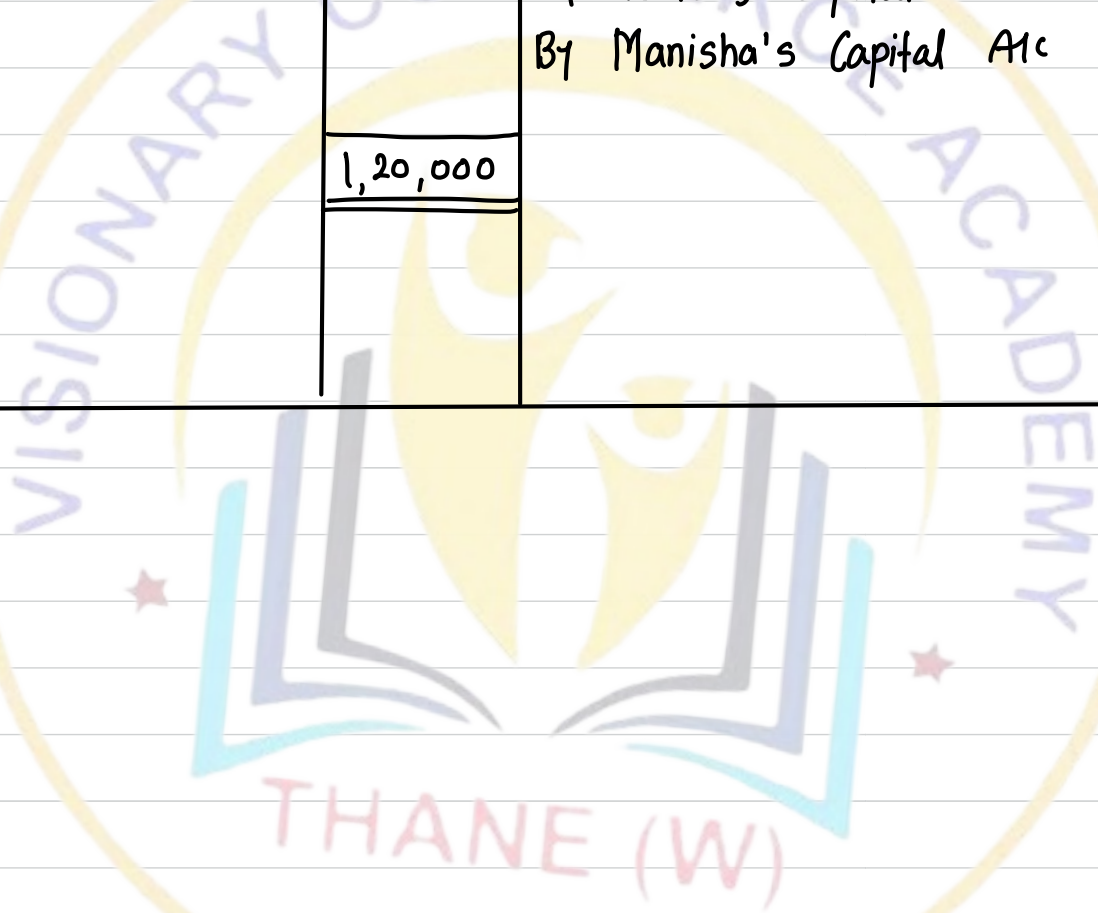
| Particulars          | HEMA<br>Amt (₹) | MANISHA<br>Amt (₹) | LIMSY<br>Amt (₹) | Particulars        | Hema<br>Amt (₹) | Manisha<br>Amt (₹) | Limsy<br>Amt (₹) |
|----------------------|-----------------|--------------------|------------------|--------------------|-----------------|--------------------|------------------|
| To Balance b/d       | —               | —                  | 20 000           | By Balance b/d     | 1 50 000        | 80 000             | —                |
| To Realisation A/c   | 50 000          |                    |                  | By Reserve Fund    | 5 000           | 3 000              | 2 000            |
| To Realisation A/c   | 38 500          | 23 100             | 15 400           | By Hema Capital    | —               | —                  | 20 875           |
| To Limsy Capital A/c | 20 875          | 12 525             | —                | By Manisha Capital |                 |                    | 12 525           |
| To Bank A/c          | 45 625          | 47 375             |                  |                    |                 |                    |                  |
|                      | 1,55,000        | 83,000             | 35,400           |                    | 1,55,000        | 83,000             | 35,400           |

# Bank Account

Dr.

Cr.

| Particulars        | Amt (₹)         | Particulars              | Amt (₹)         |
|--------------------|-----------------|--------------------------|-----------------|
| To Balance b/d     | 30,000          | By Realisation A/c       | 27,000          |
| To Realisation A/c | 90,000          | By Hema's Capital A/c    | 45,625          |
|                    |                 | By Manisha's Capital A/c | 47,375          |
|                    | <u>1,20,000</u> |                          | <u>1,20,000</u> |





## Q3 Bills of Exchange

In The Books of Sonali  
Journal Entries

| sr. No. | particulars  | Debit Amt (₹) | Credit Amt (₹) | Marks Distribution |
|---------|--|---------------|----------------|--------------------|
| 1       | Sulochana's A/c — Dr<br>To Sales A/c<br>(Being goods sold on credit)                                     | 25000         | 25000          | 1                  |
| 2       | Bills Receivable A/c — Dr<br>To Sulochana's A/c<br>(Being bills drawn)                                   | 25000         | 25000          | 1                  |
| 3       | Cash / Bank A/c — Dr<br>Discount A/c — Dr<br>To Bills Receivable A/c<br>(Being Bills discount with bank) | 24,375<br>625 | 25000          | 2                  |
| 4       | Sulochana's A/c — Dr<br>To Bank A/c<br>(Being Bills Dishonoured)   | 25000         | 25000          | 1                  |
| 5       | Sulochana A/c — Dr<br>To Interest A/c<br>(Being Interest charge on dishonoured)                          | 1000          | 1000           | 1                  |

|    |  |              |       |            |
|----|--|--------------|-------|------------|
| 6. | Cash   Bank A/c — Dr<br>To Sulochana's A/c<br>(Being part amount of bills received)                      | 5000         | 5000  | 1          |
| 7. | Bills Receivable A/c — Dr<br>To Sulochana's A/c<br>(Being new bill drawn for balance amount)             | 21000        | 21000 | 1          |
| 8. | Cash   Bank A/c — Dr<br>Discount A/c<br>To Bills Receivable A/c<br>(Being 2nd bill discounted with bank) | 20200<br>800 | 21000 | 2          |
|    |  |              |       | <u>10m</u> |

Q4

## In The Books Of Sameer & Company Ltd Journal Entries

| sr<br>no. | particulars   | L.<br>F. | Debit<br>Amt (₹)      | Credit<br>Amt (₹)    | Marks<br>Distribution |
|-----------|---|----------|-----------------------|----------------------|-----------------------|
| 1.        | Bank A/c (30000 × ₹ 25) — Dr.<br>To Equity Share Application A/c<br>(Being application money received)  |          | 7,50,000              | 7,50,000             | 1                     |
| 2.        | Equity Share Application A/c — Dr.<br>To Equity Share Capital A/c (25000 × ₹ 25)<br>*To Equity Share Allotment A/c (5000 × ₹ 25)<br>(Being application transfer to<br>share capital and Excess application<br>money on 5000 shares adjusted in<br>pro-rata) |          | 7,50,000              | 6,25,000<br>1,25,000 | 2                     |
| 3.        | Equity Share Allotment A/c — Dr.<br>To Equity Share Capital A/c (25000 × ₹ 50)<br>(Being Equity Share Allotment money<br>Dues)  |          | 12,50,000             | 12,50,000            | 1                     |
| 4.        | Bank A/c — Dr.<br>Equity share Allotment A/c* (Adv) — Dr.<br>To Equity share Allotment A/c<br>(Being allotment money received)  |          | 11,25,000<br>1,25,000 | 12,50,000            | 1                     |

|   |  |           |           |          |   |
|---|--|-----------|-----------|----------|---|
| ₹ | Equity Share First & final Call A/c — Dr.<br>To Equity Share Capital A/c (25000 x ₹ 25)<br>(Being Equity Share first & final call money due)   | 6,25,000  | 6,25,000  | )        |   |
| ₹ | Bank A/c (22500 x ₹ 25) — Dr.<br>Call in Arrears A/c (2500 x ₹ 25)<br>To Equity Share First & final Call A/c<br>(Being Equity Share 1 <sup>st</sup> & final Call on 22500<br>Shares received). | 5,62,500  | 62,500    | 6,25,000 | 2 |
|   |  | 50,62,500 | 50,62,500 |          |   |

Q5

In The Books of the Partnership Firm  
Profit and Loss Adjustment Account

Dr.

Cr.

| Particulars                    | Amt (₹) | Particulars                  | Amt (₹) |
|--------------------------------|---------|------------------------------|---------|
| To Furniture A/c               | 550     | By Investment A/c            | 1500    |
| To <u>Partners Capital A/c</u> |         | By R.D.D                     | 400     |
| Arun 540                       | 1540    | By Goodwill A/c (2nd method) | 2500    |
| Varun 540                      | 1540    |                              |         |
| Karun 270                      | 770     |                              |         |
|                                | 1350    |                              |         |
|                                | 1900    |                              | 1900    |

Partners Capital Accounts

Dr.

Cr.

| Particulars                         | Arun<br>₹ | Varun<br>₹ | Karun<br>₹ | Particulars                        | Arun<br>Amt (₹) | Varun<br>Amt (₹) | Karun<br>Amt (₹) |
|-------------------------------------|-----------|------------|------------|------------------------------------|-----------------|------------------|------------------|
| To Bank A/c /<br>Executors Loan A/c | -         | -          | 11020      | By Balance b/d                     | 20000           | 20000            | 10000            |
| To Balance c/d                      | 21,540    | 21,540     | -          | By Goodwill A/c                    | 1000            | 1000             | 500              |
|                                     |           |            |            | By Profit & Loss<br>Adjustment A/c | 540             | 540              | 270              |
|                                     |           |            |            | Another method per Amt →           | 1540            | 1540             | 770              |
|                                     |           |            |            | By Profit & Loss<br>Suspense A/c   | -               | -                | 250              |
|                                     | 21,540    | 21,540     | 11,020     |                                    | 21,540          | 21,540           | 11,020           |

# Balance-Sheet

As on 1<sup>st</sup> July, 2019

| liabilities                 | Amt (₹) | Amt (₹) | Assets                 | Amt (₹) | Amt (₹) |
|-----------------------------|---------|---------|------------------------|---------|---------|
| <u>Partners Capital A/c</u> |         |         | Land & Building        |         | 27900   |
| Arun                        | 21,540  |         | Debtors                |         | 10400   |
| Varun                       | 21,540  | 43,080  | Furniture              | 8000    |         |
|                             |         |         | (less):- Depreciation  | (550)   | 7450    |
| Creditors                   |         | 16000   | Profit & loss Suspense |         | 250     |
|                             |         |         | Bank                   |         | 5580    |
|                             |         |         | Goodwill               |         | 7500    |
|                             |         | 59,080  |                        |         | 59,080  |
|                             |         | 59,080  |                        |         | 59,080  |

## Scheme of Marking

- ① P&L Adjustment A/c (4 items x 1/2 mark each) = 2 marks
  - ② Partners Capital Account (10 items x 1/4 mark each) = 2 1/2 marks
  - ③ Balance - Sheet = 3 1/2 marks
- 8 marks

Q5

Vertical Income Statement  
For The Year Ended 31<sup>st</sup> March, 2020

| Particulars                            | Amt (₹)         | Amt (₹)         |
|--|-----------------|-----------------|
| <u>* Income *</u>                      |                 |                 |
| 1. Sales                               |                 | 1,20,000        |
| 2. (less) :- <u>Cost of Goods Sold</u> |                 |                 |
| Opening Stock                          | 20,000          |                 |
| + Purchase                             | 90,000          |                 |
| + Carriage Inward                      | 500             |                 |
| + Wages                                | 10,000          |                 |
|  | <hr/>           |                 |
|  | 1,20,500        |                 |
| (less) :- Closing Stock                | <u>(30,000)</u> | <u>(90,500)</u> |
| 3. Gross Profit (1-2)                  | →               | 29,500          |
| 4. (less) :- <u>Operating Expenses</u> |                 |                 |
| → Office Expenses                      | 12,500          |                 |
| → Selling Expenses                     | 10,000          |                 |
| → Finance Expenses                     | 3,000           |                 |
|  | <hr/>           |                 |
|  |                 | <u>(25,500)</u> |
| Net Profit                             | →               | 4,000           |

Scheme of Marking

- Gross profit
- Net profit
- Remaining (12 items x 1/2 mark each)

1  
1  
6  

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8

Q6

In The Books of Matsyodari Engineering College.  
Income and Expenditure Account  
For The year Ended 31<sup>st</sup> march, 2020

Dr.

Cr.

| Expenditure              | Amt (₹)       | Amt (₹)          | Income             | Amt (₹)      | Amt (₹)          |
|--------------------------|---------------|------------------|--------------------|--------------|------------------|
| To Salary                |               | 10,00,000        | By Interest        |              | 50,000           |
| To Electricity Charges   |               | 50,000           |                    |              |                  |
| To Stationary            |               | 24,000           | By Subscription    | 30,000       |                  |
|                          |               |                  | ADD :- Outstanding | <u>5,300</u> | 35,300           |
| To Depreciation on Books | 64,000        |                  | By Donation        |              | 25,000           |
| Furniture                | <u>74,000</u> | 1,38,000         | By Tuition Fees    |              | 1,15,000         |
|                          |               |                  | By Term Fees       |              | 2,00,000         |
|                          |               |                  | By Sundry Receipts |              | 10,000           |
|                          |               |                  | By Admission fees  |              | 50,000           |
|                          |               | <u>17,45,300</u> |                    |              | <u>17,45,300</u> |



# Balance-Sheet

As on 31<sup>st</sup> March, 2020

| liabilities           | Amt (₹)   | Amt (₹)   | Assets                    | Amt (₹)  | Amt (₹)   |
|-----------------------|-----------|-----------|---------------------------|----------|-----------|
| Capital Fund          | 10,37,000 |           | Books                     | 700 000  |           |
| ADD:- Life Membership | 40 000    |           | ADD:- Additional          | 64 000   |           |
| ADD:- Surplus         | 5,33,300  | 16,10,300 |                           | 7,64,000 |           |
|                       |           |           | (less):- Depreciation     | (64 000) | 7 00 000  |
| Building Fund         | 10,00,000 |           |                           |          |           |
| ADD:- Donation        | 2,50,000  | 12,50,000 | Furniture                 | 3 19 000 |           |
|                       |           |           | ADD:- Additions           | 55 000.  |           |
|                       |           |           |                           | 3 74 000 |           |
|                       |           |           | (less):- Depreciation     | (74 000) | 3 00 000  |
|                       |           |           | Fixed Deposit             | 9 10 000 |           |
|                       |           |           | ADD:- Additional          | 7 00 000 | 16,10,000 |
|                       |           |           |                           |          |           |
|                       |           |           | Outstanding Subscriptions |          | 53 00     |
|                       |           |           | Cash                      |          | 20 000    |
|                       |           |           | Bank                      |          | 2,25,000  |
|                       |           |           |                           |          |           |
|                       |           | 28,60,300 |                           |          | 28,60,300 |

Scheme of Marking :-

marks

① Income & Expenditure = 6

② Balance - sheet = 6

12

In The Books of Partnership Firm  
Trading Account and Profit & Loss Account  
For The Year Ended 31<sup>st</sup> March, 2020

Dr.

Cr.

| Particulars                             | Amt (₹) | Amt (₹)  | Particulars         | Amt (₹)  | Amt (₹)  |
|---|---------|----------|---------------------|----------|----------|
| To opening stock                        |         | 35,600   | By Sales            | 240,000  |          |
| To Purchase                             | 110,000 |          | (less):- Return     | (10,000) | 2,39,000 |
| (less):- Returns                        | (2,000) | 1,08,000 |                     |          |          |
| To Gross Profit c/d                     |         | 1,69,400 | By closing stock    |          | 74,000   |
|   |         | 3,13,000 |                     |          | 3,13,000 |
| To Salaries                             | 8,600   |          | By Gross Profit b/d |          | 1,69,400 |
| ADD:- Outstanding                       | 700     | 9,300    |                     |          |          |
| To Rent, rates & Taxes                  |         | 9,000    |                     |          |          |
| To Advertisement                        |         | 9,600    |                     |          |          |
| To Depreciation on<br>Plant & machinery |         | 8,000    |                     |          |          |
| To Bad-Debts                            |         | 1,680    |                     |          |          |
| To Interest on Capital                  |         |          |                     |          |          |
| → Varsha                                | 9,000   |          |                     |          |          |
| → Harsha                                | 3,000   | 12,000   |                     |          |          |
| To Partners Current A/c                 |         |          |                     |          |          |
| Varsha                                  | 89,865  |          |                     |          |          |
| Harsha                                  | 29,955  | 1,19,820 |                     |          |          |
|   |         | 1,69,400 |                     |          | 1,69,400 |

# Balance - Sheet

As on 31<sup>st</sup> March

Dr.

Cr.

| Liabilities                 | Amt (₹)  | Amt (₹)         | Assets                | Amt (₹)        | Amt (₹)         |
|-----------------------------|----------|-----------------|-----------------------|----------------|-----------------|
| <u>Partners Capital A/c</u> |          |                 | Furniture             |                | 1,05,800        |
| Varsha                      | 1,80,000 |                 |                       |                |                 |
| Harsha                      | 60,000   | 2,40,000        | Plant & Machinery     | 1,60,000       |                 |
|                             |          |                 | (less) Depreciation   | <u>(8,000)</u> | 1,52,000        |
| <u>Current Accounts</u>     |          |                 |                       |                |                 |
| Varsha                      | 1,08,865 |                 | Debtors               | 56,000         |                 |
| Harsha                      | 38,955   | 1,47,820        | (less):- New Bad Debt | <u>(1,680)</u> | 54,320          |
| <u>Outstanding Salaries</u> |          | 700             | Closing Stock         |                | 74,000          |
| <u>Creditors</u>            |          | 99,600          | Cash in Hand          |                | 1,02,000        |
|                             |          | <u>4,88,120</u> |                       |                | <u>4,88,120</u> |

# Partners Current Account

Dr.

(Cr.)

| Particulars    | Amt (₹)         |               | Particulars            | Amt (₹)         |               |
|----------------|-----------------|---------------|------------------------|-----------------|---------------|
|                | Varsha          | Harsha        |                        | Varsha          | Harsha        |
| To Balance b/d | 1,08,865        | 38,955        | By Balance b/d         | 10,000          | 6,000         |
|                |                 |               | By Interest on Capital | 9,000           | 3,000         |
|                |                 |               | By Net Profit          | 89,865          | 29,955        |
|                | <u>1,08,865</u> | <u>38,955</u> |                        | <u>1,08,865</u> | <u>38,955</u> |

## Scheme of Marking

|                        | marks       |
|------------------------|-------------|
| Trading A/c =          | 2 1/2       |
| P & L A/c =            | 4           |
| Balance-Sheet =        | 4           |
| Partners Current A/c = | 1 1/2       |
|                        | <u>12 m</u> |