

Q.1 (A) Write one word/term/phrase which can substitute each of the following statements :

(05) [20]

- (1) Expenses which are paid before they are due. (Ch. 1)
- (2) Excess of total assets over total liabilities of 'Not for Profit' concern. (Ch. 2)
- (3) Liability likely to arise in future on happening of certain event. (Ch. 6)
- (4) Bills of exchange drawn and accepted without any valuable consideration. (Ch. 7)
- (5) It is damaged software, cracked nearly fully functional. (Ch. 10)

Q.1 (B) Do you agree or disagree with the following statements :

(05)

- (1) Partner's Current Account always shows debit balance. (Ch. 1)
- (2) Purchase of sports equipments is a capital expenditure. (Ch. 2)
- (3) New ratio minus old ratio is equal to sacrifice ratio. (Ch. 3)
- (4) Retiring partner is entitled to his share of goodwill. (Ch. 4)
- (5) Ratio analysis is useful for inter firm comparison. (Ch. 9)

Q.1 (C) Answer in one sentence only :

(05)

- (1) What is fluctuating capital method? (Ch. 1)
- (2) What is subscription? (Ch. 2)
- (3) Why is new partner admitted? (Ch. 3)
- (4) What is benefit ratio? (Ch. 4)
- (5) Why is Realisation Account opened? (Ch. 6)

Q.1 (C) Find odd one out :

(05)

- (1) Building, Furniture, Machinery, Bills Payable. (Ch. 1)
- (2) School, Hospital, Bank, Club. (Ch. 2)
- (3) Notary Public, Drawer, Drawee, Payee. (Ch. 7)
- (4) Public issue, Right issue, Reserve Capital, Bonus issue. (Ch. 8)
- (5) Revaluation A/c, Profit and Loss Suspense A/c, Deficiency A/c, Executor's Loan A/c. (Ch. 5)

Q.2 The Balance Sheet of Meena and Heena who shared the profits and losses in the ratio of 2 : 1 is as under :

[10]

Balance Sheet as on 31st March, 2020

Liabilities		Amt. (₹)	Assets		Amt. (₹)
Capital:			Leasehold property		20,000
Meena		1,34,000	Livestock		6,600
Heena		1,20,000	Loose tools		90,200
Creditors		53,800	Stock		86,800
Rent outstanding		10,000	Debtors		48,000
Reserve Fund		7,200	Less: R.D.D.		<u>2,000</u>
			Bank		46,000
		3,25,000			75,400
					<u>3,25,000</u>

On 1st April, 2020 Seema was admitted as $\frac{1}{4}$ th partner on the following terms :

- (1) Seema should bring in ₹ 1,20,000 towards her capital.
- (2) Firm's goodwill is valued at ₹ 1,44,000 and Seema agreed to bring her share in the firm's goodwill by a cheque.
- (3) Reserve for doubtful debts should be maintained at 7.5% on debtors.
- (4) Increase live stock by ₹ 4,400 and write off loose tools by 20%.
- (5) Rent outstanding paid ₹ 9,040 in full settlement.

Prepare :

- (1) Profit and Loss Adjustment Account
- (2) Partners' Capital Accounts
- (3) Balance Sheet of the new firm.

OR

Q.2 Kale, Lele and Tele are sharing profits and losses as 3:2:1 respectively. Their Balance Sheet as on 31st March, 2020 was as follows:

Balance Sheet as on 31st March, 2020

[10]

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Capitals:		Cash	10,800
Kale	24,000	Debtors	18,000
Lele	18,000	Stock	12,000
Tele	12,000	Plant and Machinery	30,000
Creditors	16,800		
	70,800		70,800

Tele retires from the business on the above date on the following terms:

- Stock and Plant and Machinery to be appreciated by 5% and 10% respectively.
- Provision for doubtful debts to be created at 5% on debtors.
- The provision of ₹ 600 be made in respect of outstanding rent.
- Goodwill of the firm is valued at ₹ 18,000 and the remaining partners decided that goodwill should be written back.
- The amount payable to the retiring partner be transferred to his loan account.

Prepare: (1) Profit and Loss Adjustment Account (2) Partners' Capital Accounts
(3) Balance Sheet of Kale and Lele. (Ch. 4)

Q.3 Following is the Balance Sheet of Kulkarni, Solkar and Bhave as on 31st March, 2020.

They were sharing profits and losses in the ratio of $\frac{1}{2} : \frac{1}{6} : \frac{1}{3}$.

[10]

Balance Sheet as on 31st March, 2020

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Capitals:		Buildings	19,000
Kulkarni	24,000	Machinery	13,500
Solkar	21,500	Furniture	3,000
General Reserve	12,000	Stock	20,500
Kulkarni's Loan	7,500	Debtors	10,000
Creditors	12,500	Bills Receivable	6,000
Bills Payable	7,500	Bank	3,000
		Profit and Loss A/c	1,500
		Bhave's Capital	8,500
	85,000		85,000

On the above date the firm was dissolved and the assets realised as under:

- Building ₹ 18,000; Machinery, ₹ 12,000; Debtors ₹ 5,000 and Goodwill ₹ 900.
- Kulkarni took over furniture and stock at ₹ 20,000 and agreed to pay creditors at a discount of ₹ 500.
- Solkar took over bills receivable at ₹ 5,200 and paid bills payable in full.
- Dissolution expenses paid amounted ₹ 1,600.
- Bhave became insolvent. No amount was recovered from his estate.

Show: Realisation A/c; Capital Accounts and Bank A/c. (Ch. 6)

OR

Q.3 Vaidya sold goods to Sathe for ₹ 5,000 at 5% T.D. and on the same date drew on Sathe a bill for 2 months. Sathe accepted the same and returned to Vaidya. Vaidya then endorsed the bill to Joshi.

On the due date Joshi informed Vaidya about dishonour of bill and noting charges paid by him ₹ 50. Vaidya settled Joshi's A/c and drew a fresh bill on Sathe for the amount due plus interest ₹ 100 for one month. The new bill was honoured on due date.

Pass Journal Entries in the books of Vaidya. (Ch. 7)

[10]

Q.4 Bharat Ltd. issued 7,000 Equity Shares of ₹ 10 each payable as follows:

On Application ₹ 4 On Allotment ₹ 4 On Call ₹ 2

The company received applications for 10,000 Equity shares. The excess applications were rejected and refunded. The money due on allotment and calls were received in full except on 100 shares the call amount was due. These shares were forfeited.

Pass Journal Entries to record above transactions in the book of company. (Ch. 8)

[08]

OR

Q.4 Explain the importance of Computerised Accounting System. (Ch. 10)

[08]

Q.5 The Balance Sheet of Manoj, Sanjay and Vinod as on 31st March, 2020 was as follows: [08]
Balance Sheet as on 31st March, 2020

Liabilities		Assets	
	Amt. (₹)		Amt. (₹)
Capitals: Manoj	30,000	Patents	15,000
Sanjay	10,000	Debtors	18,000
Vinod	20,000	Stock	2,000
Reserve Fund	9,000	Bills Receivable	10,000
Creditors	3,000	Cash at Bank	27,000
	72,000		72,000

Vinod died on 1st August, 2020 and the following adjustments were agreed:

- (1) $\frac{1}{5}$ th of patent to be written off.
 - (2) Unrecorded creditors amounted ₹ 500.
 - (3) Stock revalued at ₹ 2,500.
 - (4) Allow 12% interest on capital.
 - (5) The goodwill of the firm is to be valued at 2 years purchase of average profit of last 4 years. The profits were: ₹ 24,000 for 2019-20; ₹ 18,000 for 2018-19; ₹ 22,000 for 2017-18 and ₹ 26,000 for 2016-17.
 - (6) The deceased partner's share of profit upto the date of his death should be based on the average profit of last 2 years.
- Prepare: (1) Profit and Loss Adjustment A/c (2) Vinod's Capital A/c (3) Working for share of Goodwill to Vinod and (4) Working for share of profit to Vinod. (Ch. 5)

OR

Q.5 Given below is the Balance Sheet of Rajesh Ltd. [08]
Balance Sheet as on 31st March, 2020

Liabilities		Assets	
	Amt. (₹)		Amt. (₹)
Share Capital	1,25,000	Fixed Assets	1,00,000
Debentures	1,00,000	Sundry Debtors	1,05,000
Reserves	25,000	Bank Balance	45,000
Bills Payable	25,000	Inventory	75,000
Sundry Creditors	50,000		
	3,25,000		3,25,000

Additional Information:

- (1) Net Sales ₹ 1,00,000
 - (2) Cost of Goods sold ₹ 75,000
 - (3) Operating Expenses ₹ 10,000
- Calculate: (1) Gross Profit Ratio (2) Net Profit Ratio (3) Current Ratio
(4) Liquid Ratio (5) Return on Investment Ratio. (Ch. 9)

Q.6 With the help of the Balance Sheet and Receipts and Payments Account of Adarsh Cultural Club, Mumbai. [12]
Prepare Income and Expenditure Account for the year ended 31st March, 2020 and the Balance Sheet as on that date.
Balance Sheet as on 01.04.2019

Liabilities		Assets	
	Amt. (₹)		Amt. (₹)
Capital Fund	2,57,000	Buildings	2,50,000
Building Fund	50,000	Furniture	20,000
Outstanding Salary	1,300	Outstanding Subscription	1,000
		Cash in hand	2,400
		Cash at bank	34,900
	3,08,300		3,08,300

Receipts and Payments Accounts for the year ended 31.03.2020

Receipts		Payments	
	Amt. (₹)		Amt. (₹)
To Balance b/d	2,400	By Salaries	35,300
Cash in Hand	34,900	By Furniture	10,000
Cash at Bank		(Purchased on 0.1.10.2019)	8,400
To Subscriptions:		By General Expenses	4,200
2018-19	1,000	By Printing and Stationery	16,000
2019-20	48,000	By Drama Expenses	
2020-21	2,000	By Balance c/d	4,600
To Donation for building fund	20,000	Cash in Hand	57,800
To Drama receipts	28,000	Cash at Bank	1,36,300
	1,36,300		

You are also required to consider the additional information given below:

- (1) The Club had 100 members, each paying ₹ 500 as annual subscription.
- (2) Furniture to be depreciated at 20% p.a.
- (3) Salaries included ₹ 1,300 paid for outstanding salaries for the year 2018-19.
Salaries outstanding for the year 2019-20 were ₹ 700. (Ch. 2)

Q.7 Ashok and Tanaji are partners sharing profits and losses in the ratio 2:3 respectively. Their Trial Balance as at 31st March, 2020 is given below.
You are required to prepare Trading and Profit and Loss A/c for the year ending 31st March, 2020 and Balance Sheet on that date taking into account the given adjustments. [12]

Trial Balance as on 31st March, 2020

Debit Balances	Amt. (₹)	Credit Balances	Amt. (₹)
Purchases	98,000	Capitals: Ashok	30,000
Patent Rights	4,000	Tanaji	40,000
Building	1,00,000	Provident Fund	7,000
Stock (1.4.2019)	15,000	Creditors	45,000
Printing and Stationery	8,650	Sales	1,58,000
Sundry Debtors	35,000	R.D.D.	250
Wages and Salaries	11,000	Bank Loan	12,000
Furniture	8,000	Bills Payable	3,000
10 % Investment (Purchased on 30.9.19)	10,000	Outstanding Wages	500
Cash	4,000		
P. F. Contribution	800		
Carriage Inward	1,300		
	2,95,750		2,95,750

Adjustments:

- (1) Closing Stock is valued at the cost of ₹ 15,000 while its market price is ₹ 18,000.
- (2) On 31st March, 2020, the Stock of Stationery was ₹ 500.
- (3) Provide R.D.D. @ 5% on Debtors.
- (4) Depreciate Building at 5% and Patent Right at 10%.
- (5) Interest on capital is to be provided at 5% p.a.
- (6) Goods worth ₹ 10,000 were destroyed by fire and Insurance company admitted claim for ₹ 8,000. (Ch. 1)

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