

Answer all questions from 1 to 4. Each carries 1 score.

(4 × 1 = 4)

1. The Balance Sheet of a not for profit organization does not include :

(a) Assets (b) Liabilities
(c) Owner's Fund ✓ (d) Capital Fund

2. Gaining ratio is to be calculated at the time of _____ of a partner.

(a) admission (b) retirement ✓
(c) death (d) both (b) and (c)

3. Forming a partnership deed is _____

(a) mandatory ✓ (b) not mandatory
(c) mandatory in writing (d) None

4. Unrecorded liabilities located on admission of a partner will be _____

(a) Debited to Revaluation A/c. (b) Credited to Revaluation A/c.
(c) Debited to Capital A/c. ✓ (d) Credited to Capital A/c.

Answer all questions from 5 to 8. Each carries 2 scores.

(4 × 2 = 8)

5. Malu, a partner withdrew ₹ 1,000 regularly at the beginning of every month. Calculate interest on drawings @ 6% p.a.

6. Complete the following table :

Partner	Old Ratio	Sacrificing Ratio	New Ratio
Rajan	$\frac{3}{5}$?	$\frac{12}{25}$
Radhan	$\frac{2}{5}$	$\frac{2}{25}$?

7. Ascertain the amount of stationery consumed during the year ended 31st March, 2018.
- | | |
|---|-----------|
| Stock of stationery on 31-03-2017 | - ₹ 1,200 |
| Stock of stationery on 31-03-2018 | - ₹ 1,900 |
| Creditors for stationery on 31-03-2018 | - ₹ 1,400 |
| Amount paid for stationery during 2017-18 | - ₹ 1,300 |

8. Creditors of a firm were ₹ 21,000. Of which creditors for ₹ 10,000 accepted stock worth ₹ 8,000 on full settlement. Remaining creditors were paid at 10% discount. Calculate the amount payable to creditors and pass Journal Entry at the time of dissolution of firm.

Answer any 2 questions from 9 to 11. Each carries 3 scores.

(2 × 3 = 6)

9. (a) Fill up the following as per hint given :
- Hint : Receipts and Payment A/c. : Cash in hand
Income and Expenditure A/c. : _____ ?
- (b) Write any two differences between Receipts and Payments A/c. and Income and Expenditure A/c.
10. In which ratio goodwill is shared in the following cases ?
- Amount of goodwill paid by the new partner.
 - Amount of goodwill paid to the outgoing partner.
- Also write any two differences between those ratios.
11. Anu, Achu and Ammu are partners sharing profits in the ratio of 5 : 4 : 3. Achu retires and is given ₹ 8,000 as goodwill.
- Compute the relevant ratio in which goodwill is shared by Anu and Ammu.
 - Write the Journal Entry.

Answer any 1 question from 12 to 13. Each carries 4 scores.

(1 × 4 = 4)

12. A and B are partners in a firm. During the year 2017, the firm earned a profit of ₹ 24,000 before charging the following :
- Interest on capitals @ 10% p.a. (partners capitals - A - ₹ 30,000, B - ₹ 25,000).
 - Monthly salary payable to B ₹ 500.
 - Interest on drawings - A ₹ 300, B ₹ 200.

Prepare Profit and Loss Appropriation A/c.

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13. Journalise the following on dissolution of a firm :

- Realisation expenses paid ₹ 1,500.
- Investments not recorded in the books realized ₹ 2,000.
- Creditors for ₹ 10,000 agreed to accept at 5% discount.
- Loss on realization amounted to ₹ 1,200.

Answer all questions from 14 to 15. Each carries 5 scores.

(2 × 5 = 10)

14. A, B and C are partners sharing profits as 2 : 1 : 2. C retires from the firm. Goodwill of the firm is based on 3 years purchase of the average profits of the last 4 years results which were ₹ 22,000, ₹ 28,000, ₹ 18,000 and ₹ 8,000 (loss) respectively.

Compute the value of goodwill and give Journal Entries in the following cases :

- When goodwill appears in the books at ₹ 30,000.
- When goodwill appears in the books at ₹ 50,000.

15. Following is the Balance Sheet of a firm where Abhi and Pranav are partners who share profits in the ratio of 3 : 2 :

Balance Sheet as on 31-03-2018

Liabilities	Amount	Assets	Amount
Creditors	20,000	Cash	12,000
Bills Payables	30,000	Debtors	20,000
Investment Fluctuation Fund	5,000	(-) Provision	<u>1,000</u>
Reserve Fund	20,000	Stock	22,000
Capitals :		Furniture	25,000
Abhi	43,000	Machinery	40,000
Pranav	<u>30,000</u>	Investments	30,000
	<u>1,48,000</u>		<u>1,48,000</u>

Following transactions took place on dissolution of the firm :

- Debtors realized 90% of the book value.
- Abhi took over furniture at ₹ 22,000.
- Creditors were paid ₹ 17,000 in full settlement and stock realized at 10% less the book value.
- Realisation expenses ₹ 1,000 paid by Pranav.

Prepare Realisation Account.

Answer any 1 question from 16 to 17. Each carries 8 scores.

(1 × 8 = 8)

16. The Receipts and Payments Account of Jubily Club for the year ended 31st December, 2018 is given below :

Receipts and Payments Account for the year ended 31st December, 2018

Receipts	Amount	Payments	Amount
Balance b/d	12,000	Rent	3,000
Subscriptions	32,000	Salaries	7,500
Donation for building	25,000	Books	4,000
Sale of old newspapers	1,500	Furniture	12,000
Sundry receipts	1,000	Investment	30,000
		Balance c/d	15,000
	71,500		71,500

Other Information :

- (1) Subscriptions outstanding as on 31st December, 2017 ₹ 2,000 and on 31st December, 2018 ₹ 3,000.
- (2) Salaries due ₹ 2,500, Rent prepaid ₹ 500.
- (3) On 31st December, 2017, the Club had Furniture ₹ 6,000 and Books ₹ 3,000.
- (4) Depreciate furniture by ₹ 3,000.

Prepare Income and Expenditure Account and Balance Sheet as on the above date.

17. The Balance Sheet of Gopika and Deepika sharing profits in proportion of 3/4 and 1/4 is given below :

Balance Sheet as on 31st March, 2018

Liabilities	Amount	Assets	Amount
Sundry creditors	25,000	Cash	12,500
General reserve	4,000	Bills receivables	3,000
Capitals :		Sundry debtors	17,000
Gopika 31,000		(-) Prov. <u>1,000</u>	16,000
Deepika <u>22,500</u>	53,500	Stock	15,000
		Furniture	6,000
		Buildings	30,000
	82,500		82,500

Radhika is admitted on the above date as per the following terms :

- (1) She will bring in ₹ 20,000 for capital and ₹ 8,000 as her share of goodwill for 1/4 share in the profits.
- (2) Stock and furniture reduced by 10%.
- (3) Provision for doubtful debts to be increased to ₹ 1,500 and creditors unrecorded to the extent of ₹ 2,000.
- (4) Buildings revalued at ₹ 40,000.

Prepare necessary Ledger Accounts and Balance Sheet.

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(Maximum Scores : 40)

Answer all questions from 1 to 4. Each carries 1 score.

(4 × 1 = 4)

1. A company issued 10%, 1000 debentures of ₹ 100 at par. Here 10% indicates :
(a) Discount rate (b) Interest rate
(c) Dividend rate (d) None
2. Find the odd one out :
(a) Debt-Equity Ratio (b) Proprietary Ratio
(c) Inventory Turnover Ratio (d) Interest Coverage Ratio
3. Tools of analysis of financial statements does not include :
(a) Comparative Statement (b) Trend Analysis
(c) Common Size Statement (d) Income Statement
4. Which of the following is not a non-cash item ?
(a) Depreciation (b) Provision
(c) Amortization (d) Income Tax

Answer any 3 questions from 5 to 8. Each carries 2 scores.

(3 × 2 = 6)

5. Write the type of debentures mentioned in the following statements :
(a) Debentures for which the company does not keep any record of debenture holders.
(b) Debentures which are redeemable on the winding-up of the company.
6. Under what heading will the following accounts appear in the Balance Sheet of a company ?
(a) Reserves and Surplus
(b) Inventories
7. Write the impact of the following transactions on cash from operations :
(a) Increase in Debtors
(b) Decrease in Inventory
8. Calculate Gross Profit Ratio :
Revenue from operations ₹ 6,50,000
Returns inwards ₹ 50,000
Cost of revenue from operations ₹ 4,80,000

Answer any 3 questions from 9 to 12. Each carries 3 scores.

(3 × 3 = 9)

9. What are the basic financial statements of a company ? Write any two limitations of it.
10. Omega Ltd. purchased a building for ₹ 2,20,000. Half of the payment was made in cash and the balance by issue of 12% debentures at a premium of 10%. Give journal entries.
11. A company received 20000 applications against 15000 shares offered to the public.
- Identify the type of subscription mentioned in the above.
 - What are the alternatives available to the company for the allotment of shares in such a case ?
12. Classify the following business activities into investing, financing and operating activities :
- Sale of fixed assets
 - Sale of inventories
 - Sale of shares
 - Payment of dividend
 - Payment to creditors
 - Dividend received

Answer all questions from 13 to 14. Each carries 4 scores.

(2 × 4 = 8)

13. Kefcon Ltd. forfeited 300 shares of ₹ 10 each for non-payment of allotment money of ₹ 3 per share and call money of ₹ 4 per share. Out of these 250 shares were reissued for ₹ 2,000. Give Journal Entries.
14. Prepare a comparative statement of Profit and Loss for the year ending 31st March, 2018. Rate of income tax was 40%.

Particulars	2016-17	2017-18
Revenue from operations	6,00,000	8,00,000
Other incomes	50,000	1,00,000
Expenses	4,00,000	5,00,000

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15. Calculate cash from operations.

Items	2017	2018
Balance of Profit and Loss A/c.	20,000	30,000
Bills Receivables	18,000	14,000
Provision for Depreciation	30,000	32,000
Outstanding Rent	4,000	1,600
Prepaid Insurance	1,200	1,400
Goodwill	20,000	16,000
Sundry Debtors	18,000	14,000

Answer any 1 question from 16 and 17. Each carries 8 scores.

(1 × 8 = 8)

16. Sundaram Ltd. issued 50,000 shares of ₹ 10 each payable as ₹ 3 on application, ₹ 4 on allotment and the balance on first and final call.

Applications were received for 70,000 shares and allotment was made on pro-rata basis. Adwaith, holder of 500 shares failed to pay allotment and call money. His shares were later forfeited. Give journal entries.

17. From the following details

	₹
Revenue from operations	1,50,000
Cost of revenue from operations	1,20,000
Opening stock	29,000
Closing stock	31,000
Sundry debtors	16,000
Net fixed assets	1,10,000

Calculate :

- Gross profit ratio
- Inventory turnover ratio
- Fixed assets turnover ratio
- Debtors turnover ratio