

Marks : 80

Time : 3 Hrs

Q.1A) Answer in One sentence:

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1. What is sacrifice ratio?
2. If Realization expenses paid by partner which account should be debited?
3. Who is Endorsee?
4. What is calls in arrears?
5. In what proportion is the balance on Realization account transferred to Partner's capital / current account?

B) Write the term/phrase/word.

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1. The account to which all adjustments are made when capital is fixed.
2. The income which is earned during the year, but not received during the year.
3. The part of subscribed capital which is not called up by the company.
4. Conversion of asset into cash on dissolution of firm.
5. Accumulated past profit kept in the form reserve.

C) True or False:

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1. Depreciation is not calculated on current assets.
2. Purchase of sports equipment is a Capital expenditure.
3. Directors can forfeit the shares for any reason.
4. A solvent partner having Debit balance to his capital account does not share the deficiency of insolvent partner's capital account.
5. — RDD is created on Debtors.

D) Complete the sentence.

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1. When commission is allowed to any partner it is..... of the business.
2. Not for profit organization is never engaged in Activity.
3. Mumbai University prepared..... account instead of profit and loss account.
4. When goodwill is withdrawn by the partner account is credited.
5. — Benefit Ratio = New Ratio -

Q.2. Anand and Rohit are partners sharing profit and losses in the ratio of 4:1. Their Balance Sheet as on 31st March 2018 was as follows:

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Balance sheet as on 31st march 2018

Liabilities	Amount	Assets	Amount
Capitals:		Goodwill	90,000
Anand	1,35,000	Equipment's	45,000
Rohit	75,000	Stock	54,000
Reserve Fund	90,000	Debtors	1,20,000
Creditors	54,000	Cash	51,000
Bills Payable	6,000		
	3,60,000		3,60,000

They agreed to Admit Nachiket on the following terms:

- 1) The goodwill is to be written off after admission of Nachiket.
- 2) $\frac{1}{4}$ th of equipment's to be written off.
- 3) Stock is undervalued by 10% and it is to be adjusted properly.
- 4) Debtors of Rs 1,800 are not recoverable.
- 5) Nachiket will introduce Rs 1,20,000 as capital for $\frac{2}{5}$ th share of firm and also bring his share of goodwill Rs 20,000.
- 6) Anand withdrew Rs 60,000 from business.

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Prepare Revaluation A/c, Partners Capital A/c & Balance Sheet after the admission.
OR

The Balance Sheet of Shyam Traders Pune is as follows, Partners share Profit and Losses as 5:2:3

Balance Sheet as on 31st March 2019

Liabilities	Amt	Amt	Assets	Amt	Amt.
Capital A/c.			Plant & Machinery		32000
Rambha		36000	Building		40000
Menaka		32000	Stock		20400
Urvashi		17600	Debtors	16800	
Creditors		20000	Less: RDD	800	16000
Bills payable		1200	Bank		12400
General Reserve		14000			
Total		120800	Total		120800

Menka retired from the business on 1st April 2019 on the following terms.

1. The assets were revalued as under.

i) Stock at Rs. 28,000

ii) Building is appreciated by 10%

iii) R.D.D. is to be increased upto Rs. 1000

iv) Plant and Machinery is to be depreciated by 10%

2. The Goodwill of retiring partner is valued at Rs 8000 and the remaining Partners

decided that Goodwill be written back in their New Profit-sharing ratio which will be 5:3

3. Amount due to Menka is to be transferred to her Loan Account

Prepare: Profit and Loss Adjustment A/c, Capital Account of partners, Balance Sheet of new firm.

Q.3 The Balance Sheet of Rupali, Dipali and Mitali who are sharing Profits and Losses in the ratio of 2:2:1 was as follows: 10

Balance Sheet as on 31st March 2018

Liabilities	Amount	Assets	Amount
Capital		Fixed Assets	2,18,000
Rupali	60,000	Goodwill	60,000
Dipali	40,000	Stock	1,20,000
Sundry creditors	2,40,000	Bank	2,000
Bank loan (with a charge on stock)	1,00,000	Capital: Mitali	40,000
	4,40,000		4,40,000

On the above date the firm was dissolved and assets realized as under.

Fixed Assets were sold for Rs 1,80,000 and stock realized Rs 1,04,000. Realization expenses amounted to Rs 6,000.

Assuming that all partners are insolvent. Prepare Realization A/c, Partner's Capital A/c, Bank A/c, Sundry Creditors A/c, Bank Loan A/c, Deficiency A/c.

OR

Nishant draws a bill for Rs 25,000 on Abhinav for 3 months on 17th July, 2022. Nishant

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discounts the bill with his Bankers at 12.5% p.a. on 20th July 2022. On the due date of bill Abhinav requested Nishant to accept a crossed cheque of Rs 5,800 including Rs 1,800 for interest and to draw bill for the balance for 3 months. Nishant agrees to this proposal. Before due date of new bill Abhinav retires the bill for Rs 20,250 one month before the due date. **Pass necessary journal entries in the books of Nishant.**

- Q.4** HPC Company Limited issues 2500 Equity shares of Rs100 each payable as Rs 30 on application, Rs 30 on allotment, Rs 20 on first call and Rs 20 on final call. Only 2300 shares were subscribed and duly allotted. Company made all the calls. All cash was duly received except the first & final call on 50 equity shares. These shares were forfeited by company and were re-issued as fully paid for Rs 90 per share. Show the Journal entries in the books of HPCL Company Ltd. 10

OR

State the difference between Manual Accounting Process and Computerised Accounting Process.

- Q.5** Rohit, Sachin and Virat were sharing profit and losses in the ratio of 7:5:4 respectively. Their Balance sheet as on 31st March 2017 was as follows. 8

Balance Sheet as on 31st March 2017

Liabilities	Amount	Assets	Amount
Capital Accounts:		Stock	17,000
Rohit	23,000	Furniture	18,000
Sachin	15,000	Land and Building	16,000
Virat	12,000	Bank	37,000
Bills payable	2,000		
Creditors	8,000		
Bank Loan	12,000		
General Reserve	16,000		
	88,000		88,000

Mr. Virat died on 30th June 2017 and the following adjustments were agreed as per deed.

- 1) Stock, furniture and land and building are to be revalued at Rs 16,700, Rs 16,200 Rs 30,100 respectively.
- 2) Virat's share in goodwill is to be valued from firm's goodwill which was valued at three times of the average profit of last four years Profits. (Profits - I Rs 30,000, II Rs 25,000, III Rs 25,000, IV Rs 40,000)
- 3) His profit up to the death is to be calculated on the basis of profit of last year.
- 4) Virat was entitled to get a salary of Rs 1200 per month.
- 5) Interest on capital at 10% to be allowed.
- 6) Virat's drawing up to the date of death was Rs 900 per month.

Prepare Virat's capital A/c showing amount payable to his executor.

Give working notes for share of Goodwill and Profit.

OR

Following is the Balance Sheet of Param Company Ltd. as on 31st March 2019 and 31st March 2020.

Liabilities	31.03.19(Rs)	31.03.20(Rs)	Assets	31.03.19(Rs)	31.03.20(Rs)
Share Capital	250000	370000	Fixed Assets	280000	440000

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Reserve & Surplus	60000	100000	Current Assets	130000	120000
Current Liabilities	100000	90000			
Total	410000	560000	Total	410000	560000

You are required to prepare Comparative Balance Sheet of Param Company Ltd. as on 31st March 2019 and 31st March 2020.

Q.6 Following is the Receipts and Payments Account of Chamber of Commerce, Beed for the year ended 31st March 2018 and same additional information. You are required to prepare Income & Expenditure Account for the year ended 31st March 2018 and Balance Sheet as on that date. 12

Receipts & Payments Account

For the year ended 31st March 2018

Dr		Cr	
Receipts	Amount	Payments	Amount
To Balance B/d (Cash at bank)	22,250	By Insurance	10,000
To subscription (including Rs 8000 for 2016-17)	72,000	By Printing & Stationery	4,000
To sale of Machinery (Book value Rs 25,000)	20,000	By Books	30,000
To Donation	55,000	By Computers	60,000
To Admission fees (Revenue)	6,000	By Travelling Expenses	4,000
		By Furniture	62,000
		By Balance C/d (Cash at Bank)	5,250
Total	1,75,250	Total	1,75,250

Additional Information:

- 1) Assets and liabilities on 1st April 2017 were as follows:
Outstanding Subscription Rs 10,000, Machinery Rs 50,000, Building Fund Rs 2,10,000, Investment Rs 3,00,000.
- 2) Depreciate Machinery by Rs 2,500.
- 3) Donation received for building Fund.
- 4) Outstanding Subscription for the current year was due for Rs 4,000.

With the above information, you are required to prepare Income and Expenditure Account and Balance Sheet for the year ended 31st March 2018.

Q.7 M/s Sudarshan Traders is a Partnership Firm in which, Ram & Krushna are partners sharing Profit & Losses in the ratio 3:2. From the following Trial Balance prepare Final Account for the year 2018-19. 12

Trial Balance as on 31st March, 2019

Particulars	Debit	Credit
Opening Stock	36,000	
Capital A/c		
Ram		1,60,000
Krishna		80,000
Current A/c		
Ram		8,000
Krishna	4,000	

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Purchases	1,00,000	
Sales		2,08,000
Sundry Debtors	1,73,500	
Sundry Creditors		41,800
Bills Receivable	47,000	
Bills Payable		21,000
Commission	2,800	
Wages	1,760	
Salaries	3,000	
Furniture	25,000	
Plant & Machinery	63,000	
R.D.D		1,000
Investment	10,500	
Loans & Advances Given	35,240	
Insurance	2,500	
Bad Debts	500	
12% Govt. Bonds (Purchase on 1.1.2019)	15,000	—
Total	5,19,800	5,19,800

Adjustment:

- 1) Stock on hand on 31st March ,2019 was valued of Rs 38000.
- 2) Ram is allowed a salary of Rs 6000 and Krishna is allowed commission at 3% on net sales. —
- 3) Interest on Partners capital is to be provided @ 5% p.a.
- 4) Provide depreciation on Plant & machinery 5%.
- 5) ~~Rs~~ 3000 from our customer is not recoverable.
- 6) Prepaid insurance Rs 500.