

Q. 1 (A)	Answer in One sentence:	[5]
	<p>1. What is sacrifice ratio? Sacrifice ratio is the difference between Old Ratio and New Ratio at the time of Admission of a new partner.</p> <p>2. If Realization expenses paid by partner which account should be debited? If Realization expenses paid by partner, Realization account should be debited.</p> <p>3. Who is Endorsee? The person to whom bill is endorsed is called as Endorsee.</p> <p>4. What is calls in arrears? Unpaid amount of call money on shares is called as Calls in arrears.</p> <p>5. In what proportion is the balance on Realization account transferred to Partner's capital / current account? Balance of Realization A/c. transferred to Partner's Capital / Current A/c. in Profit Sharing Ratio</p>	
Q. 1(B)	Write the term/phrase/word.	(5)
	<p>1. The account to which all adjustments are made when capital is fixed - Partner's Current Account</p> <p>2. The income which is earned during the year, but not received during the year. Outstanding Income/ Accrued Income/Income Receivable/Income due but not received for current year</p> <p>3. The part of subscribed capital which is not called up by the company. Uncalled Capital</p> <p>4. Conversion of asset into cash on dissolution of firm. Realization of assets</p> <p>5. Accumulated past profit kept in the form reserve. General Reserve/Reserve Fund</p>	
Q. 1(C)	True or False	(5)
	<p>1. Depreciation is not calculated on current assets - True</p> <p>2. Purchase of sports equipment is a Capital expenditure - True</p> <p>3. Directors can forfeit the shares for any reason - False</p> <p>4. A solvent partner having Debit balance to his capital account does not share the efficiency of insolvent partner's capital account - False</p> <p>5. If goodwill is written off a deceased partner's capital account is debited - False</p>	
Q. 1(D)	Complete the sentence.	(5)
	<p>1. When commission is allowed to any partner it is Expense of the business.</p> <p>2. Not for profit organization is never engaged in Business/Profit making Activity.</p> <p>3. Mumbai University prepared Income & Expenditure account instead of profit and loss account.</p> <p>4. When goodwill is withdrawn by the partner Cash/Bank account is credited.</p> <p>5. Benefit Ratio = New Ratio - Old Ratio</p>	

Q. 2 Admission of Partner

In the Books of Anand and Rohit

Dr.		Revaluation A/c.		Cr.	
Particulars	Rs.	Particulars	Rs.		
To Equipement	11250	By Stock	6000		
To Bad debts	1800	By Partner's Cap.	7050		
		(Loss)			
		Anand	5640		
		Rohit	1410		
Total	13050	Total	13050		

Dr.				Cr.			
Partner's Capital A/c.							
Particulars	Anand	Rohit	Nachiket	Particulars	Anand	Rohit	Nachiket
To Goodwill	72000	18000		By Balance b/d	1E+05	75000	
To Drawings	60000			By Res. Fund	72000	18000	
To Reval. A/c.	5640	1410		By Cash/Bank			1E+05
(Loss)							
To Balance	69360	73590	120000				
c/d.							
Total	2E+05	93000	120000	Total	2E+05	93000	1E+05

Balance - Sheet as on 31st March 2018

Liabilities	Rs	Rs	Assets	Rs	Rs
<u>Partner's Capital A/c.</u>			<u>Equipements</u>	45000	
Anand	69360		(-) 1/4th Written off	11250	33750
Rohit	73590		<u>Stock</u>	54000	
Nachiket	1E+05	262950	(+) Increase	6000	60000
			<u>Debtors</u>	1E+05	
Creditors		54000	(-) Bad debts	1800	1E+05
Billspayable		6000	Cash		1E+05
Total		322950	Total		3E+05

Q. 2 Retirement of Partner

In the Books of Shyam Traders, Pune

Dr.			Revaluation A/c.		Cr.	
Particulars	Rs	Rs	Particulars	Rs	Rs	
To RDD (1000-800)		200	By Stock		7600	
To Plant & Mach.		3200	By Building		4000	
To Partner's Cap.		8200				
Rambha	4100					
Menka	1640					
Urvashi	2460					
		11600	Total		11600	

Dr.				Cr.			
Particulars	Rambha	Menka	Urvashi	Particulars	Rambha	Menka	Urvashi
To Goodwill	5000		3000	By Balance	36000	32000	17600
To Menka's Loan		44440		b/d			
To Balance c/d	42100		21260	By Goodwill		8000	
				By Gen. Res.	7000	2800	4200
				By Reval.A/c. (Profit)	4100	1640	2460
Total	47100	44440	24260	Total	47100	44440	24260

Balance Sheet as on 1st April 2019

Liabilities	Rs	Rs	Assets	Rs	Rs
Partner's Capital A/c.			Stock	20400	
Rambha	42100		(+) Appreciation	7600	28000
Urvashi	21260	63360	Building	40000	
			(+) Appreciation	4000	44000
Creditors		20000	Debtors	16800	

Bills payable		1200	(-) RDD	1000	15800
			Plant & Machinery	32000	
			(-) Depreciation	3200	28800
			Bank		12400
Total		129000	Total		1E+05

Q. 3 Dissolution of Firm

In the Books of Rupali, Dipali and Mitali

Dr. Realisation A/c. — Cr.

Particulars	Rs	Rs	Particulars	Rs	Rs	
<u>To Sundry Assets A/c.</u>			<u>By Bank A/c. (Assets Realised)</u>			
Fixed Asset	2E+05		Fixed Assets	2E+05		
Goodwill	60000		Stock	1E+05	3E+05	
Stock	1E+05	4E+05	<u>By Partner's Capital A/c.</u>			
—			(Loss on Realisation)			
To Bank A/c.		6000	Rupali	48000		
(Realisation Exp.)			Dipali	48000		
			Mitali	24000	1E+05	
Total		4E+05	Total		4E+05	

Dr. Partner's Capital A/c. Cr.

Particulars	Rupali	Dipali	Mitali	Particulars	Rupali	Dipali	Mitali
To Balance b/d.			40000	By Balance b/d	60000	40000	
To Realisation A/c.	48000	48000	24000	By Deficiency A/c.		8000	64000
(Loss on Realisation)							
To Deficiency A/c.	12000						
Total	60000	48000	64000	Total	60000	48000	64000

Dr. Bank A/c. Cr.

Particulars	Rs	Particulars	Rs
To Balance b/d.	2000	By Realisation A/c.	6000
To Realisation A/c.	3E+05	By Bank Loan A/c.	1E+05
(Assets Realised)		By Creditors A/c.	2E+05
Total	3E+05	Total	3E+05

Dr.	Creditors A/c.		Cr.
Particulars	Rs	Particulars	Rs
To Bank A/c.	2E+05	By Balance b/d.	2E+05
To Deficiency A/c.	60000		
Total	2E+05		Total

Dr.	Bank Loan A/c.		Cr.
Particulars	Rs	Particulars	Rs
To Bank A/c.(Stock Realised)	1E+05	By Balance <u>b/d.</u>	1E+05
Total	1E+05	Total	1E+05

Dr.	Deficiency A/c.		Cr.
Particulars	Rs	Particulars	Rs
To Dipali's Capital A/c.	8000	By Rupali's Capital A/c.	12000
To Mitali's Capital A/c.	64000	By Creditors A/c.	60000
Total	72000	Total	72000

Q. 3 Bills of Exchange

In the Books of Nishant Journal

Date	Particulars	L.F.	Debit (Rs)	Credit (Rs)
2022				
Jul-17	Billsreceivable A/c..... Dr. To Abhinav's A/c. (Being bill drawn and acceptance received)		25000	25000
Jul-17	Bank A/c.....Dr. Discount A/c.....Dr. To Bills Payable A/c (Being Abhinav's acceptance discounted with bank at 12.5% p.a. for 3 months)		24219 781	25000
Oct.20	Abhinav's A/c..... Dr.		25000	

		To Bank A/c (Being discounted bill dishonoured)			25000	
	Oct.20	Abhinav's A/c.....Dr. To Interest A/c (Being interest due)	1800		1800	
	Oct.20	Bank A/c.....Dr. To Abhinav's A/c (Being Cheque received)	5800		5800	
	Oct.20	Bills Receivable A/c.....Dr. To Abhinav's A/c (Being acceptance given to new bill drawn)	21000		21000	
	Dec.20	Cash / Bank A/c.....Dr. Rebate / Discount A/c.....Dr. To Bills Receivable A/c (Being new bill retired one month before due date and rebate allowed)	20250 750		21000	
		Total	124600		124600	

Q. 4 Issue of Shares

In the Books of HPC Co. Ltd.
Journal

Date	Particulars	L.F.	Debit(Rs)	Credit(Rs)
1	Bank A/c. Dr. To Equity Share Application A/c. (Being application money received on 2300 shares at Rs 30 each.)		69000	69000
2	Equity Share Application A/c. Dr. To Equity Share Capital A/c. (Being application money transferred to share capital.)		69000	69000
3	Equity Share Allotment A/c. Dr. To Equity Share Capital A/c. (Being allotment money due on 2300 shares at Rs 30 each.)		69000	69000

—	4	Bank A/c. Dr. To Equity Share Allotment A/c. (Being allotment money received in full.)	69000	69000
	5	Equity Share First Call A/c. Dr. To Equity Share Capital A/c. (Being first call money due on 2300 shares at Rs 20 each.)	46000	46000
	6	Bank A/c. Dr. To Equity Share First Call A/c. (Being first call money received except on 50 shares.)	45000	45000
	7	Equity Share Final Call A/c. Dr. To Equity Share Capital A/c. (Being final call money due on 2300 shares at Rs 20 each.)	46000	46000
	8	Bank A/c. Dr. To Equity Share Final Call A/c. (Being final call money received except on 50 shares.)	45000	45000
	9	Equity Share Capital A/c. Dr. To Share Forfeited A/c. To Share First Call A/c. To Share Final Call A/c. (Being 50 shares forfeited for non payment of first and final call money.)	5000	3000 1000 1000
	10	Bank A/c. Dr. Share Forfeited A/c. Dr. To Equity Share Capital A/c. (Being 50 shares reissued at Rs 90 each.)	4500 500	5000
	11	Share Forfeited A/c. Dr. To Capital Reserve A/c. (Being balance on Share forfeited A/c. transferred to Capital Reserve A/c.)	2500	2500
		Total	5E+05	470500

Q. 4 Computer Accounting System

Difference between Manual Accounting Process and Computerised Accounting Process

Basis of Difference	Manual Accounting Process	Computerised Accounting Process
1. Meaning	Manual accounting is the system	In this system of computerized

		in which we maintain physical register of journal and ledger for keeping the records of each business transactions.	accounting, we use computer and different accounting software for digital record of each business transactions.		
	2. Calculation make total of	In this system, all calculations are done manually. For example, to find the balance of any ledger account. We will make total of the debit and credit side and then we will find its difference for showing balance.	In computerized accounting system, our duty is to record the business transactions manually in the database. All the calculations are done by computer system. We need not calculate each account's balance, it is calculated automatically by computerized accounting system.		
	3. Ledger Accounts	Ledger accounts are prepared by posting transactions in appropriate ledger manually with the help of journal. There may be mistakes while transferring the amount manually.	In computerized accounting system, once a voucher is entered it will automatically be printed. Thus there is no chance of taking or transferring wrong amount.		
	4. Trial Balance	In this system of accounting, we have to take the balances of all ledger A/c, in Trial Balance Statement.	Computerized accounting system will produce Trial Balance automatically		
	5. Adjustment Entries Record	Both adjustment journal entries and its posting in the ledger accounts will be done manually one by one.	Only adjustment entries will be passed in the computerized accounting system, posting in the Ledger accounts will be done automatically.		
	6. Financial Statements	We have to make the financial statements manually by carefully transferring Trial Balance's figures in to Trading, Profit and Loss Account and Balance Sheet.	We need not prepare financial statement manually; financial statements will be generated automatically. It will also automatically change after each voucher entry in the system. This facility is not available in the manual accounting system.		
	7. Closing the	After the year end accountants	In the computerized accounting		

Books	prepare financial statements for the accounting period. The balances are to be carried forward manually, to next year.	software financial reports are auto generated for the accounting period. The balances are automatically carried forward to next year.
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Q. 5	Death of Partner
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In the Books of the Firm				
Dr.	Virat's Capital Account			Cr.
Particulars	Rs	Particulars	Rs	
To Drawing A/c	2700	By Balance b/d		12000
To Executors Loan A/c	45200	By General Reserve		4000
		By Profit & Loss Adjustment A/c		3000
		By Goodwill A/c		22500
		By <u>Profit</u> & Loss Suspense A/c		2500
		By Salary A/c		3600
		By Interest on Capital A/c		300
Total	47900		Total	47900

Working Note :

1. Calculation of share of Goodwill

$$\text{a. Average Profit} = \frac{\text{Total Profits}}{\text{No of Years}} = \frac{1\text{E}+05}{4} = 30000$$

b. Goodwill of Firm = Average Profit \times No. of Year Purchases
 = 30,000 \times 3 times
 90,000

c. Share of Goodwill to Virat = Goodwill of the firm \times Virat's share

$$= 90,000 \times \frac{4}{16}$$

22500

2. Calculation of share of profit due to Virat

$$\text{Share of profit} = \text{Last year profit} \times \text{share of profit} \times \text{period}$$

$$40000 \times \frac{1 \times 3}{4 \times 12}$$

$$2500$$

Q. 5 **Comparitive Balance Sheet of Param Co. Ltd. As on 31.03.2019 and 31.03.2020**

Particulars	31.03.2019 Rs	31.03.2020 Rs	Absolute Change (Rs)	Percentage (%) Change
1. SOURCE OF FUNDS				
A. Share Capital	250000	4E+05	1E+05	48% Increase
B. Reserve & Surplus	60000	1E+05	40000	66.67% Increase
Total Funds Available	310000	5E+05	2E+05	51.61% Increase
2. APPLICATION OF FUNDS				
A. Fixed Assets	280000	4E+05	2E+05	57.14% Increase
<u>B. Working Capital</u>		—		
Current Assets	130000	1E+05	#####	(7.69%) Decrease
(-) Current Liabilities	100000	90000	#####	(10%) Decrease
	30000	30000	Nil	Nil
Total Funds Applied	310000	5E+05	2E+05	51.61% Increase

Formula = $\frac{\text{Increase/Decrease}}{\text{Base Year}} \times 100$

Q. 6 **NPC**

In the books of Chamber of Commerce, Beed

Dr. Income and Expenditure Account for the year ended 31.03.2018 Cr.

Expenditure	Rs	Rs	Income	Rs	Rs
To Insurance		10000	<u>By Subscriptions</u>	72000	
To Printing and Stationery		4000	Less for 2016 - 17	8000	
To Traveling Exp		4000		64000	
To Loss on sale of Machi.		5000	Add : O/s.Subscriptions	4000	68000
To Depreciation on Machinery		2500	By Admission fees		6000
To Surplus (Excess to Income over Expenditure)		48500			

Total		74000	Total		74000
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Balance Sheet as on 31.03.2018

Liabilities	Rs	Rs	Assets	Rs	Rs
<u>Capital Fund</u>	2E+05		Cash at Bank		5250
Add : Surplus	48500	2E+05	Books		30000
			Computer		60000
<u>Building Fund</u>	2E+05		Furniture		62000
Add : Donations	55000	3E+05	<u>Outstanding Subscription</u>		
			2016-17	2000	
			2017-18	4000	6000
			<u>Machinery</u>	50000	
			(-) Sale	25000	
				25000	
			(-) Depreciation	2500	22500
			Investment		3E+05
Total		5E+05	Total		5E+05

Working Note :

1) Calculation of Capital Fund as on 1-4-2017

Balance Sheet as on 1st April 2017

Liabilities	Rs	Assets	Rs
Building Fund	2E+05	Cash at Bank	22250
Capital Fund	2E+05	O/s Subscription (2016-17)	10000
(Balancing Fig.)		Machinery	50000
		Investment	3E+05
Total	4E+05	Total	4E+05

Q. 7 Final Accounts

Dr. Trading and Profit and Loss Account for the year ended 31st March 2019						Cr.	
Particulars	Rs	Rs	Particulars	Rs	Rs		
To Opening Stock		36000	By Sales		2E+05		
To Purchases		1E+05	By Closing Stock		38000		
To Wages		1760					
To Gross Profit c/d		1E+05					
Total		2E+05	Total		2E+05		
To Commission		2800	By Gross Profit b/d		1E+05		
To Salaries		3000	By Interest on Govt		450		
To Insurance	2500		Bonds Receivable				
Less : Prepaid	500	2000					
To Ram's Salary		6000					
To Commission to Krushna		6240					
To Depreciation on :		3150					
Plant and Machinery							
To Bad debts (Old)	500						
To R.D.D. (New)	3000						
	3500						
Less : R.D.D. (Old)	1000	2500					
To Interest on Capital							
(Partners Current A/C)							
Ram	8000						
Krushna	4000	12000					
To Partner's Current A/c.		71000					
(Net Profit Transferred)							
Ram	42600						
Krushna	28400						
Total		1E+05	Total		1E+05		

Balance Sheet as on 31st March, 2019

Liabilities	Rs	Rs	Assets	Rs	Rs
Partner's Capital A/c.			Sundry Debtors	2E+05	
Ram	2E+05		Less-Bad debts	3000	2E+05
Krushna	80000	2E+05	Bills Receivable		47000

	<u>Partner's Current A/c.</u>			Plant and Machinery	63000		
	Ram	64600		Less : Depreciation	3150	59850	
	Krushna	34640	99240	Furniture		25000	
	Creditors		41800	Investment		10500	
	Bills payable		21000	Loans and Advances		35240	
				Closing Stock		38000	
				Prepaid Insurance		500	
				12% Govt. Bonds	15000		
				Add : Interest Receivable	450	15450	
	Total		4E+05	—	Total		4E+05

	Partner's Current A/c.					
	Dr.			Cr.		
	Particulars	Ram	Krushna	Particulars	Ram	Krushna
	To Balance b/d		4000	By Balance b/d	8000	
				By Profit and Loss A/c (Ram's Salary)	6000	
				By Profit and Loss A/c (Commision)		6240
	To Balance c/d	64600	34640	By Profit and Loss A/c (Interest on capital)	8000	4000
				By Profit and Loss A/c	42600	28400
	Total	64600	38640	Total	64600	38640