

Roll No.

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Candidates must write the Code on the title page of the answer-book.

- Please check that this question paper contains **6** printed pages.
- Code number given on the right hand side of the question paper should be written on the title page of the answer-book by the candidate.
- Please check that this question paper contains **25** questions.
- **Please write down the serial number of the question before attempting it.**

ACCOUNTANCY

Time allowed : 3 hours]

[Maximum Marks: 80

General Instructions :

- (i) This question paper contains three parts A and B.
- (ii) Both parts are **compulsory** for all candidates.
- (iii) All parts of the questions should be attempted at one place.

Part 'A'

Accounting for Not-for-Profit Organizations, Partnership Firms and Companies

1. What are "Unrestricted Funds"? Give an example also. 1
2. ABC Ltd. Was entitled to commence its business on 1st July 2007. Can it issue shares at discount on 1st Feb, 2008? 1
3. State the Provisions of Partnership Act, 1932 in the case of absence of 'Partnership Deed'. 1
4. Mention the any Two rights of representatives of deceased partner. 1
5. State any two adjustments required in case of reconstitution of partnership firm. 1

6. Calculate Amount to be Debited in Income & Expenditure Account for the year ending 31st March 2008:
- | | Rs. |
|--|------------|
| Stock of Stationery on 1st April, 2007 | 12,500 |
| Creditors for Stationery on 1st April, 2007 | 10,200 |
| Amount paid to Creditors of stationery during the year | 145,000 |
| Stock of stationery on 31st March, 2008 | 18,000 |
| Creditors for Stationery on 31st March, 2008 | 10,700 |
| | 3 |
7. 1st May, 2008 the Directors of a limited company forfeited 200 shares of Rs. 20 each, Rs. 15 per share called up, on which Rs. 10 per share has been paid by A, the amount of the first call of Rs. 5 per share being unpaid. Ten day later, the directors re-issued the forfeited shares to B credited as Rs. 15 per share paid up, for a payment of Rs. 10 per share. You are required to pass the necessary Journal Entries
- 3
8. A Co. issued 15,000 fully paid up shares of Rs.100 each for the purchase of the following assets liabilities from Gupta Bros. :
- | | | | |
|------------------|--------------|------------------|--------------|
| Plant | Rs. 5,00,000 | Stock-in-trade | Rs. 4,50,000 |
| Land & Buildings | Rs. 7,00,000 | Sundry Creditors | Rs. 1,00,000 |
- You are required to pass the necessary Journal Entries
- 3
9. Tara and Sitara are partner sharing profit in the ratio of 3 : 2; after division of the profits for the year their capital were Rs. 1,50,000 and Rs. 1,00,000. During the year firm earned profit of Rs. 52,000. Tara drew regularly Rs. 12,000 at the beginning of every six months ending and Sitara drew regularly Rs. 6,000 at the end of each quarter. While preparing the Profit & Loss Appropriation Account they commit following mistakes:
- i. They Ignored the Interest on drawings & Interest on Capital, which is to charge @ 10% p.a. & 5% p.a.
 - ii. Profit distributed equally.
- Pass an adjusting Journal entries.
- 4
10. A and B are partners sharing profits and losses in the ratio of 2 : 1, decided to share future profit and losses equally with effect from 1st April, 2009. On that date, the Goodwill and General Reserves appeared in the books at Rs. 12,000 & Rs. 10,000 respectively. Goodwill is revalued at Rs. 20,000, but they don't want retain it in the books of firm and they also don't want transfer general reserve in their capital accounts. You are required to pass an adjusting Journal entries.
- 4
11. Excel Ltd. issued 5,000, 12% Debentures of Rs.100 each, payable on application. Pass the journal entries, at the time of following situations:
- i. Issued at par redeemable at 10% premium.
 - ii. Issued at 5% discount, redeemable at 10% premium
- 4
12. Pass the journal entries to record the redemption under following cases:
- a. 1,000, 8% debenture of Rs. 100 each issued @ discount of 10% is converted into 15% debentures of Rs. 100 each issued @ premium of 25%. The debentures were converted at the option of debenture holder before the due date of redemption.

- b. HP Ltd. a listed Co. has 10,000 debenture of Rs. 50 each due for redemption and Co. has balance of Rs. 1,00,000 in his DRR Account on that date. 6

13.

Prepare the Income & Expenditure Account and the Balance Sheet from the following Receipt & Payment account and the balance Sheet:

Receipt and Payment Account

For the year ending March 31, 2008

Dr.			Cr.
<u>Receipts</u>	<u>Amount</u>	<u>Payments</u>	<u>Amount</u>
To Balance b/d	40,000	By Expense	85,000
To Subscription		By Honorarium	25,000
2006-07 8,000		By Up Keep of Lawn	18,000
2007-08 90,000		By Postage & Stationery	12,000
2008-09 15,000	1,13,000	By Furniture	40,000
To Life time Membership	25,000	By Prize Distriuted	30,000
To Sale of old News Papers	2,000	By Balance c/d	30,000
By Land(Costing Rs.50,000)	60,000		
	2,40,000		240,000

Balance Sheet as on 31.3.2007

Liabilities	Amount	Assets	Amount
Capital Fund	1,50,000	Land & Building	2,00,000
Subscription	20,000	Subscriptions	10,000
Prize Fund	20,000	Cash	40,000
Life time Member Ship	25,000		
Outstanding Expenses	5,000		
	2,50,000		2,50,000

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14.

A, B & C are partner shaing profit in the ratio 3: 2: 1.

Balance Sheet

as on 31 March, 2008

Laibilities	Amount	Assets	Amount
Capital Accounts		Cash	5,900
A 15,000		Debtors	8,000
B 10,000		Stock	11,690
C 10,000	35,000	Building	20,000
Creditors	13,590	Profit & Loss A/c	3,000
	48,590		48,590

B retired on above mention date on the following terms:

- a. Building be appreciated by Rs. 7,000.
- b. Provision for bad debts be made at 5% on Debtors.
- c. Goodwill of the firm be Valued at Rs. 9,000 and adjustment in this respect be made without raising Goodwill Account.
- d. Rs. 5,000 be paid to b immediately and balance due to him be treated as loan carrying interest @ 6% p.a.

Pass journal entires to record the above mention transactions and show us the B's Capital Account. 6

Shakti Ltd. has authorised Capital of Rs. 1,00,00,000 , divided in to equity shares of Rs. 100 each. Company issued a prospectus invited applications for issuing 20,000 equity shares of Rs. 100 each at a premium of Rs. 10 per share. The amount was payable as follows :

On application Rs. 40 per share (including premium)

On allotment Rs. 30 per share

and the balance on first and final call. Applications for 80,000 shares were received. Applications for 40,000 shares were rejected and pro-rata allotment was made to the remaining applicants. Over payments on applications were adjusted towards sums due on allotment. Manoj who was allotted 2,000 shares failed to pay the allotment and first and final call money. His shares were forfeited. The forfeited shares were re-issued at Rs. 90 per share fully paid up. Give necessary journal entries & Balance Sheet in the books of Shakti Ltd. showing the working clearly.

OR

Kamal Ltd. has Authorised capital of Rs. 2,00,000, divided into 2,000 shares Which were offered for public at premium of Rs. 5 per share payable as follow:

On Application	Rs. 10
On Allotment	Rs. 25 (Including premium)
On First Call	Rs. 40
On Final Call	Rs. 30

Application were received for 900 share which were duly allotted and the allotment money received in full. At the time of the first call, a shareholder who held 100 share failed to pay the first call and his shares were forfeited. These were reissued at Rs. 60 per share, as Rs. 70 per share paid. After re-issue Final call is made. Company incurred Rs. 5,000 expenses on issue which is to be written to Securities premium. Pass the necessary Journal entries to record the above transactions.

16.

The following is the Balance Sheet of X & Y as on 31st March, 2009, K is admitted as a partner on that when the position of X & Y was as under

Laibilities		Amount	Assets		Amount
Capital Accounts			Goodwill		10,000
X	10,000		Machinery		10,000
Y	<u>8,000</u>	18,000	Building		8,000
Workmen's Compensation		14,000	Stock		12,000
Reserve		16,000	Debtors	12,000	
Creditors		10,000	Less: Provision	<u>1,000</u>	11,000
Bills Payable		2,000	Cash		9,000
		<u>60,000</u>			<u>60,000</u>

The following terms of admission are agreed upon:

- Revaluation of Assets: Buildings Rs. 18,000; Stock Rs. 16,000.
- The liability on workmen's Compensation fund is determined at Rs. 2,000.
- K brought in as his share of goodwill Rs. 10,000 in cash.
- K was to bring in further cash as would make his capital equal to 20% of the combined adjusted capital of X & Y.

Prepare the new Balance sheet of the firm and Capial Accounts of the partners

OR

Singh, Khan & Gupta were partner sharing profit in the ratio of 3:2:1. Their Balance Sheet on 31st March, 2009 was as follows:

Laibilities	Amount	Assets	Amount
Capital Accounts		Machinery	45,000
Singh, Khan & Gupta w	40,000	Patents	8,000
Khan	30,000	Stock	25,000
Gupta	<u>20,000</u>	Debtors	20,000
Reserve	9,000	Bank	10,000
Creditors	20,000	Cash	11,000
	<u>1,19,000</u>		<u>1,19,000</u>

The firm had Joint Life policy for Rs. 60,000 on which premium were paid in all amounting to Rs. 25,000. The surrender value of the Policy was Rs. 9,000 on 31st March, 2009.

Khan Died on the above date and his executor agreed on the following terms:

- Goodwill of the firm be valued at Rs. 25,000.
- Machinery be written down by 10% patents written up by 25%, a provision of 5% be created on debtors and a provision of 2.5% on creditors be made.
- khan be paid Rs. 20,000 immediately, which is to be contributed by the other partners in the ratio of their capital.
- Singh & Gupta agreed to share profit in future in the ratio of 3:2.

Prepare the new Balance sheet of the firm, Revaluation and Capital Accounts of the partners

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Part B

Financial Statement Analysis

17. Name the asset shown as current asset in the Balance Sheet of a Co., but not considered as current asset while computing Current Ratio. 1

18. State whether Machinery purchased from vendor & the payment is made by issuing 10% Preference Shares will result in inflow, outflow or no flow of cash. 1

19. What is meant by Extraordinary items? 1

20.

The following is Balance Sheet as on 31st December

Liabilities	Amount	Assets	Amount
Share Capital	2500000	Fixed Assets	3000000
Reserve & Surplus	500000	Investments	500000
Long-term Debts	1500000	Current Assets	1200000
Current Liabilities	500000	Preliminary Expenses	300000
	<u>5000000</u>		<u>5000000</u>

Calculate:

- Proprietary Ratio;
- Debt Equity Ratio;
- Total Assets to Debt.

3

21.

Profit and Loss Account for the year ended 31.3.2009

Particulars	Amount	Particulars	Amount
Opening Stock	20,000	Sales	2,20,000
Purchases	1,25,000	Closing Stock	10,000
Direct Expenses	15,000		
Gross Profit	70,000		
	2,30,000		2,30,000
Depreciation	15,000	Gross Profit	70,000
Salary	16,000		
Loss on Sale of Machinery	4,000		
Net Profit	35,000		
	70,000		70,000

Calculate the following ratios on the basis of the information given in the above

- (i) Operating Ratio
- (ii) Stock Turnover Ratio

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22.

From the following Prepare Comparative Income Statement:

	2007-08	2008-09
Sale	2,00,000	2,50,000
Gross Profit	25% of Sale	20% of Cost
Indirect Expenses (Of Gross Profit)	15%	20%
Rate of Direct Tax		50%

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23.

Calculate cash from operation from the following:

Profit made during the year Rs. 1,25,000 after considering the following items:

(a) Depreciation on Fixed Assets	Rs. 10000
(b) Amortization of Goodwill	4000
(c) Transfer to General Reserve	7000
(d) Profit on Sale of Land	3000

The following is the position of Current Assets and Current Liabilities:

	2005	2006
	Rs.	Rs.
Debtors	15000	12000
Creditors	10000	15000
Bills Receivables	8000	10000
Prepaid Expenses	4000	6000
Provision for doubtful debts	3000	2400
Commission received in advance	14000	16000
Goodwill	15000	21000
Provision For Tax	40000	56000

Tax paid during the year Rs.28,000 & refund received During the year is Rs.15,000.

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-----Best of Luck-----