

# Pre Board examination

Accountancy 2009-2010

Test code =A1

Marks:80

Part-A

Time : 3hr

Q-1) What are the circumstances under which the fixed capitals may changed? (1marks)

Q-2) X, Y & Z are sharing profit in the ratio 3:3:2. In future they decided to share equally calculate sacrifice or gain for each partner? (1marks)

Q-3) Give journal entry for recording deceased partner share in profit from the closure of last balance sheet till the date of his death (1marks)

Q-4) How 'Life Membership fees' is treated in Financial statement of Non for profit organizations 1

Q-5) What do you mean by ' Bearers Debentures'? 1

Q-6) From the following information compute the amount charged to Income and Expenditure A/c for the year 31-03-2009

- 1) Amount paid to supplier of stationery Rs. 20,000
- 2) Creditor for stationary 1-4-08 Rs. 1200
- 3) Creditor for stationary 31-3-09 Rs. 1500
- 4) Advance paid for stationary 31-3-09 Rs. 1200
- 5) Stationery purchase for cash Rs. 5000
- 6) Stock of stationary 1-4-08 Rs. 3000 & 31.3.09 Rs.4000

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Q-7) Tarun , varun & arun were partner sharing profits in the ratio of 1.1:1 as 1-4-09 they decided to share in the future 3:2:1 on the same day firm has balance of Rs. 30,000 in General reserve and 50,000 in profit & loss (Debit) Goodwill of the firm valued at Rs. 10,000. Give an adjustment entry 3

Q-8) On 31.3.2009 the balance of capital of A,B & C were Rs. 42000 Rs. 84000 & Rs. 168000 respectively . Interest on capital credited to them @ 5% p.a whereas partnership deed was silent about Interest on capital . Pass an adjustment entry 4

Q-9) Ashu Ltd. has the following balance appearing in to the balance sheet securities premium Rs. 17,00,000, 12 % debentures Rs. 100,00,000 ,preliminary expenses Rs. 5,00,000

The company decided to redeem its outstanding debentures at a premium of 12% can section (78) be applied here ? pass the necessary journal entry 3

Q-10) D Ltd. Has an authorised capital of rs. 50, 00,000 divided into 5,00,000 equity share of 10 each. 20,000 share issued to vendor fo purchase & building as fully paid up 1,80,000 share issued to the public all the money was received except Ram holding 8000 share failed to pay two calls of Rs. 2 each 5000 share were forfeited. Show the relevant items in the balance sheet of D Ltd. 4

Q-11) (a) Give journal entries at the time of dissolution of partnership firm

- 1) Expenses of dissolution fully born by A for this he will get a commission Of Rs. 2000. Actual Expenses Rs. 2500
- 2) There was a contingent liability for Rs. 4000 for bill discounted. The bill was received from Rahul, who became insolvent and only 40 % could be received from his estate 1

(b) A & B are partner sharing profit in the ratio of 5:3 . C admitted for  $\frac{1}{8}$ <sup>th</sup> share which he acquire from A & B in the ratio of 1:2. Calculate new ratio of A, B & C 2

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Q-12 (a) The following balances appeared in the books of Raj Ltd. as on 31.3.2009, Profit and loss appropriation A/c Rs. 22,00,000, 8% debenture Rs. 20,00,000. Instead of declaring dividend, the company decided to redeem its debenture at premium of 10%. Journalise (3 marks)

(b) A Ltd. Decided to redeem in 12% debenture of Rs. 25000 by purchasing in open Market Rs. 20,000 worth of debenture purchased at 96 & Rest at Rs. 99 each expenses of purchase Rs. 250 for cancellation. Give journal entries; (3 marks)

Q-13) AB Ltd. Invited application for 40,000 equity share of Rs. 100 each issued at premium of 25%

Payable as follows- on application Rs. 40, on allotment Rs. 60 Balance on call

Application were received for 60,000 share allotment was made as follows:

- 1) 12000 share allotted to 20% applicants
- 2) 20,000 share allotted to 50% applicants

Rest share allotted to remaining application on pro-rata basis excess application money to adjustment on allotment only all the money was received except Raj under list (1) holding 600 shares failed to pay allotment his share forfeited after allotment

Mohan an applicant For 900 shares under list(2) paid only application money. His share forfeited after final call. All share Re-issued at Rs. 110 as fully paid. Give journal entries. (8 marks)

Q-14) From the following. Prepare Income and Expenditure a/c for the year ending 31.3.2010 and balance sheet on that date

Receipts and payment A/c  
For the year ended 31.3.2010

Receipts	Amount	Payments	Amount
Cash and bank balance	8500	Repayment & loan (1 oct-09)	30,000
Subscription 08-09	4000	Prize awarded	10,000
09-10	70,000		
10-11	3000		
11-12	2000		
Life Membership fee	10,000	6% prize fund Investment (1 jan 2010)	10,000
Entrance fee	5000	Interest on loan	5000
Interest on prize fund Investment	1500	Sports on Equipment	30,000
Donation of prize fund	20,000	Postage and telegram	4000
		Printing and stationary	10,000
		Telephone charges	3000
		Cash and bank bal.	22000
<b>Total</b>	<b>124000</b>		<b>124000</b>

Balance sheet  
1 April 2009

Liabilities	Rs.	Assets	Rs.
Capital fund	445500	6% prize fund Investment	30,000
10% loan	100,000	Land and building	500,000
Prize fund	40,000	Outstanding subscription	5000
Creditors for sports equipment	5000	Cash & Bank	8500
Advance subscription	3000	Sports equipment	50000
<b>Total</b>	<b>593500</b>		<b>593500</b>

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## Adjustment

- 1) Sports Equipment are valued as 31.3.2010 Rs.45,000
- 2) Telephone charges are outstanding for last quarter
- 3) Subscription o/s for 2009-10 Rs. 3000
- 4) Life membership fees for 10 years

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Q-15) Following is the balance sheet of Ram & Mohan sharing profits in the ratio of 2:3

Liabilities	Rs.	Assets	Rs.
Capital A	150000	Goodwill	5000
B	200,000		
Creditors	35000	Land and building	1,80,000
General reserve	20,000	Plant and machinery	90,000
Outstanding salary	5000	Debtors	50,000
Provision for bad debts	5000	Stock	40,000
		Bank bal.	50000
<b>Total</b>	<b>415000</b>		<b>415000</b>

Charu is admitted as new partner for  $\frac{1}{5}$ <sup>th</sup> share which she acquire from Mohan

- 1) Goodwill valued Rs. 20,000 & she brings her share of goodwill in cash half of which is withdrawn by partner
- 2) Land & Building found undervalued by 10% . Plant and machinery valued Rs. 80,000. Debtors are all good
- 3) Charu bring Rs. 1,20,000 as her capital & capital of Ram and Mohan to be adjusted accordingly

Prepare profit and loss adjustment A/c, partners capital a/c & balance sheet

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Q-16) Following is the balance sheet of X & Y who share profits in the ratio of 4:1 as on 31 March 2010

Liabilities	Rs.	Assets	Rs.
Creditors	8000	Bank	20,000
Bank loan	6000	Debtor 17000	15000
		Provision 2000	
X's wife loan	8000	Stock	15000
Y's loan	2000	Investment	25000
Z's loan	7000	Buildings	25000
Capital X	49000	Goodwill	10,000
Y	40000	Profit & loss	10000
<b>Total</b>	<b>1,20,000</b>		<b>1,20,000</b>

The firm was dissolved on the above date and the following arrangement were decided

- 1) Y agreed to pay Mrs. X's loan
- 2) Debtor of Rs. 3000 proved bad
- 3) Z accepted stock worth Rs. 5000 in part payment of his loan
- 4) Y agree to accept only rs. 1500 for his loan
- 5) Remaining stock is realized only 75%
- 6) X took over part of Investment at Rs. 8000 (being 20 % less than the book value)
- 7) Building realized 150 % of book value & goodwill realized only 50 % ,Remaining Investment realized at par
- 8) One of the creditor for Rs. 5000 was paid only Rs. 4000
- 9) Realisation expenses Rs. 5000 paid by Y
- 10) Bank loan was paid together with Interest Rs. 1000

Prepare Realisation A/c, Y's loan A/c, Partners capital A/c & Bank a/c

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(Result will be declared on every Thursday at 5pm)

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## Part – B Analysis of Financial statements

Q-17) state one objective of analysis of financial statement 1

Q-18) X Ltd. Has a debt equity ratio at 3:1. According to the management it should be maintained at 1:1. What are the two choice to do so 1

Q-19) State whether cash deposited in bank will result in Inflow, outflow or no flow of cash 1

Q-20) what is vertical analysis of financial statements 3

Q-21) Prepare a comparative Income statement with the help of the following Information 4

Particular	2009	2008
Sales	?	?
Gross profit	40% of sales	50% of cost of goods sold
Indirect Exp.	100,000	200,000
Income tax	50%	50%
Profit after tax	200,000	300,000

Q-22) Calculate any two ratios 4

- 1) Quick ratio
- 2) Proprietary ratio
- 3) Operating ratio

Sales Rs. 3,00,000, GP 25% of cost of goods sold, selling Exp. Rs. 10,000 Current asset Rs. 2,00,000, current liabilities Rs. 100,000, opening stock Rs. 60,000, purchase 2,20,000, fixed assets 3,00,000. Equity share capital=200,000 Reserve and surplus Rs. 100,000

Q-23) From the following prepare a cash flow statement

Liabilities	2009	2008	Assets	2009	2008
Equity share capital	400,000	300,000	Goodwill	100,000	80,000
12% preference share capital	200,000	300,000	Fixed assets	500,000	5,50,000
12% debentures	100,000	50,000	10% Investment	200,000	1,50,000
Profit and loss a/c	50,000	60,000	stock	75,000	100,000
Proposed Dividend	30,000	20,000	Debtor	25,000	20,000
Accumulated depreciation	1,30,000	1,50,000	cash	20,000	30,000
Creditors	20,000	65,000	Preliminary Expense	10,000	15,000
	930,000	945,000		9,30,000	9,45,000

Adjustment

- 1) Fixed assets costing rs 100,000 (book value rs 60,000) sold for rs.50,000
- 2) Tax paid during the year rs.25,000 (6 marks)