

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

XII/Book-Keeping/01.02.18

Marks: 80

Duration: 3Hours

Q.1. Attempt any three of the following:

(A) Answer in one sentence

(5)

- (i) Who is Notary Public?
- (ii) Who is called as Insolvent person?
- (iii) What is Revenue Expenditure?
- (iv) What is statement of affairs?
- (v) Define bills of exchange

(B) Write a word/Term/Phrase

(5)

- (i) A partner who lends his name to the firm.
- (ii) A person entitled to receive the amount of a bill of exchange
- (iii) Credit balance of realization account
- (iv) An excess of expenditure over income in case of 'Not for Profit concern'
- (v) A statement similar to Balance sheet prepared to find out the amount of opening capital

(C) Multiple Choice

(5)

- (i) The interest on the capital of a partner is debited to ____ account.
(a) Profit and Loss (b) Trading (c) Capital (d) Cash
- (ii) When goodwill is withdrawn by old partners ____ account is debited.
(a) Cash/Bank (b) Capital (c) Revaluation (d) Profit and Loss
- (iii) Further capital introduced during the year is _____ from closing capital to arrive at profit or loss.
(a) Added (b) subtracted (c) Multiplied (d) divided
- (iv) Transaction recorded in income and expenditure A/c is related only to the ____ year.
(a) Last (b) current (c) next (d) all
- (v) Interest on drawings is debited to _____ account under fixed capital method.
(a) Trading (b) Partner's Capital (c) Partner's Current (d) Profit and Loss

(D) State whether the following statements are True or False:

(5)

1. Interest on Capital of partner is debited to Profit and Loss Account
2. Prepaid expenses are a liability.
3. The receipts and Payment Account record only cash transaction.
4. Drawee has no right to discount the bill with the bank
5. Statement of Profit shows financial position of business

(E) Prepare a Bill of Exchange from the following information:

(5)

Drawer : R.K. Samrath, Jawahar Road, Bhuswal
Drawee : J.P. Surana, Gandhi Road, Jalgaon
Payee : Madhu Shinde, Shastri Nagar, Mumbai
Period : 2 Months
Accepted on : 10th May 2012
Date of Bill : 5th May 2012.
Amount : Rs. 30,000
The bill was accepted for Rs.28,500/- only.

Q.2. Ram and Rahim are equal partners in capitals, profits and losses. They maintain books by single entry. **(8)**

Their partnership deed provides for salary at Rs.800 per month to Ram and interest on capitals and drawings at 10% p.a. The drawings of the partners during the year amounted to Ram Rs.12,000 and Rahim Rs.8,000. Their assets and liabilities were as under:

On 31st March, 2005: Office Premises Rs.70,000, Machinery Rs.50,000, Debtors Rs.40,000, Stock Rs.20,000, Cash on hand Rs.10,000, Bills receivable Rs.10,000, 10% - Bank loan Rs.50,000, Creditors Rs.25,000, Bills payable Rs.5,000.

On 1st April, 2004: Office premises Rs. 70,000, Machinery Rs.50,000, Debtors Rs. 25,000, Stock Rs. 15,000, Cash in hand Rs. 5,000, 10% - Bank loan Rs. 50,000, Creditors Rs.15,000 and bills payable Rs. 8,000.

Adjustments:

(1) Depreciate office premises and machinery at 10% p.a.

(2) Provide for interest on bank loan for the year,

(3) Provide reserve for doubtful debts at 5% on debtors

(4) Salaries prepaid are Rs.10,000.

Prepare: a) Statement of affairs as on 1st April, 2006 and 31st March, 2007.

b) Statement of profit and loss for the year

Q.3. Manoj and Rahul are equal partners in a business **(10)**

Balance Sheet as on 31/03/12

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Sundry Creditors		1,80,000	Cash at Bank		1,20,000
General Reserve		36,000	Debtors	62,000	
<u>Capital:</u>			Less: RDD	<u>2,000</u>	60,000
Manoj	90,000		Bills Receivable		24,000
Rahul	<u>60,000</u>	1,50,000	Building		1,14,000
			Machinery		48,000
		3,66,000			3,66,000

They decided to admit Amit on 1/4/12 on the following terms:

(1) The Machinery and the Building be depreciated by 10%

(2) Reserve for Doubtful Debts to be increased to Rs. 5,000

(3) Creditors are paid at a discount of 10%

(4) Amit should bring Rs. 80,000 as capital for his 1/4th share in future profits and Goodwill A/c be opened in the books of the firm at Rs. 40,000

(5) The capital A/c of all the partners are adjusted in their profit sharing ratio.

Prepare Profit and Loss Adjustment A/c, Partners Capital A/c and Balance Sheet

OR

Q.3. Sheetal, Anjali and Rajendra were sharing profits and losses as 7:5:4 **(10)**

Balance Sheet as on 31/3/12

Liabilities	Rs.	Assets	Rs.
<u>Capital A/c:</u>		Furniture	17,000
Sheetal	23,000	Machinery	18,000
Anjali	15,000	Building	16,000
Rajendra	12,000	Cash	37,000
Bills Payable	4,000		
Creditors	8,000		
Loan	10,000		
General Reserves	16,000		
	88,000		88,000

Rajendra died on 30/6/12 and the following adjustments were agreed as per deed:

(i) Furniture, Machinery and Building are to be revalued at Rs. 16,700; Rs. 16,200 and Rs. 30,100

- (ii) Rajendra's share of goodwill is to be valued on firm's goodwill which was valued at two times the average profit of last three years profits 2009-10 – Rs. 30,000; 2010-11 Rs. 2,500; and 2011-12 Rs. 20,000
- (iii) His profit upto the date of death is to be calculated on the basis of last year profit
- (iv) Rajendra was entitled to get a salary of Rs. 800 p.m.
- (v) Interest on capital at 10% be allowed
- (vi) Rajendra's drawing upto date of death were Rs. 600 p.m.
- Prepare Revaluation A/c, Partner's Capital A/c, and Balance sheet

Q.4. On 1st January 2005 Jameer of Jalgaon, sold goods to Nanchand of Nagpur for Rs. 80,000. On the same day Jameer drew a bill on Nanchand for the same amount at 3 months. Nanchand accepted the bill and returned the same to Jameer. On 4th January 2005 Jameer discounted the bill with his bankers at 10% p.a. On the due date bank informed that the bill was dishonoured and Nanchand requested Jameer to accept Rs. 40,000 immediately and draw up on him a new bill for the remaining amount for 2 months together with interest at 12% p.a. Jameer agreed. Before the due date of the new bill, Nanchand was declared insolvent and 35% of the amount could be recovered from his estate. Give journal entries in the books of Jameer and prepare Jameer's A/C in the books of Nanchand. **(10)**

Q.5. Mahesh, Suresh and Jayesh were partners of the firm. They decided to dissolve the firm on 31/3/12 **(10)**

Balance Sheet as on 31/3/12

Liabilities	Rs.	Assets	Rs.	Rs.
Creditors	18,000	Cash at Bank		10,000
Loan	4,500	Sundry Assets		51,000
<u>Capital A/c:</u>		Debtors	72,600	
Mahesh	82,500	Less R.D.D	3,600	69,000
Suresh	30,000	Stock		23,000
Jayesh	21,000	Furniture		3,000
	1,56,000			1,56,000

The firm was dissolved as follows:

- (1) Mahesh will accept furniture for Rs. 2,000 and agreed to accept the debtors of book value of Rs. 60,000 at an agreed value of Rs. 51,000
 - (2) Suresh will accept stock at an agreed value of Rs. 20,000 and Sundry assets of book value Rs. 24,000 at Rs. 23,500
 - (3) Jayesh will accept remaining sundry assets for Rs. 25,000. He will further accept the liability of loan.
 - (4) Expenses of dissolution were Rs. 1,000 and outstanding expenses of Rs. 1,200 were to be paid from the firm.
 - (5) The remaining debtors were realized Rs. 7,000
- Prepare necessary ledger account.

Q.6. The following is the Receipts and Payments A/c of Young Club for the year ended 31st March' 02 **(12)**

Receipts	Rs	Assets	Rs
To Balance B/d –Cash	2,150	By Salaries	4,160
To Subscriptions		By Printing & Stationery	800
2000-01 80		By Rates & Taxes	1,200
2001-02 4,220		By Telephones Charges	200
2002-03 <u>160</u>	4,460	By Investment in Govt. Securities	2,500
To sport meeting surplus	3,250	By Sundry Expenses	1,850
To Interest on investments	2,000	By Balance c/d – Cash	1,150
	11,860		11,860

Additional Information:

- (1) There are 450 members, each paying annual subscription of Rs 10, Rs 90 being in arrears for the year 2000-01, at the beginning of the year 2001-02
 (2) Stock of Stationery – 31-03-2001 Rs 100 and 31-03-2002 Rs 180
 (3) Printing charges Rs 500 Outstanding. Telephone charges Rs 70 are prepaid.
 (4) On 31-3-2001- Outstanding sundry expenses are Rs 140
 (5) On 31-03-2001 book value of building was Rs 20,000 & it is to be depreciated @ 5% p.a. & investments were value at Rs 40,000 on the above date.
 Prepare Balance Sheet as on 31.03.2001, Balance Sheet as on 31-03.2000, Income and Expenditure A/c

Q.7. Bapat and Sampat are partners sharing profits and losses equally. The trial balance of their firm on 31st December, 2001 was as follows: (15)

Particulars	Debit	Credit
Stock (1.1.2001)	1,10,000	
Purchases and Sale	4,25,000	8,00,000
Return Inward	25,000	
Carriage	10,000	
Motive Power	15,000	
Wages	1,40,000	
Trade Expenses	10,000	
Debtors and Creditors	1,80,000	1,00,000
Salaries	95,000	
Insurance	6,000	
Postage	9,000	
Commission	12,500	10,000
Plant and Machinery	1,50,000	
Furniture	40,000	
Advertisement	20,000	
Office Rent (10 months)	25,000	
<u>Drawings:</u>		
Bapat	35,000	
Sampat	15,000	
Bank Loan		80,000
Buildings	60,000	
<u>Capitals:</u>		
Bapat		2,00,000
Sampat		2,00,000
Cash in Hand	7,500	
	13,90,000	13,90,000

Adjustments:

- (1) Stocks on 31.12.2001 was valued at cost price Rs.2,00,000 and market price Rs.1,80,000.
 (2) Depreciate Plant and Machinery and building at 20% and 10% respectively.
 (3) Insurance is paid for one year ending on 31.3.2002.
 (4) Goods withdrawn by Bapat for Rs. 25,000 during the year were not recorded in the books.
 (5) Provide for Bad debts Rs.5,000 and R.D.D. @ 5% on debtors
 Prepare Trading Account, Profit and Loss Account for the year ended on 31st December, 2001 and the Balance Sheet as on that date after making the above adjustments.