

Professor Vishwanathan Iyer's

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

XII/Book Keeping/10.02.18

MARKS: 80

Duration:3Hours

Q.1.ATTEMPT ANY THREE OF THE FOLLOWING SUB QUESTION:

(15)

(A) ANSWER THE FOLLOWING QUESTION IN ONE SENTENCE EACH:

- (i) What is Capital Fund?
- (ii) What is Sacrifice ratio?
- (iii) What does debit balance of Realisation account show?
- (iv) State the meaning of revenue expenditure.
- (v) When is the bill said to be dishonoured?

(B) WRITE THE WORD. TERM/PHRASE WHICH CAN SUBSTITUTE EACH OF THE FOLLOWING STATEMENT:

- (i) An association of two or more persons to carry on business.
- (ii) Income due but not received.
- (iii) A statement similar to Balance Sheet.
- (iv) Issue of share at the value lesser than their face value
- (v) The ratio that measures the relationship between gross profit and net sales

(C) SELECT THE MOST APPROPRIATE ALTERNATIVE FROM THOSE GIVEN BELOW AND REWRITE THE STATEMENT:

- (i) Prepaid expenses are shown on the _____ side of the balance sheet.
(a) Asset (b) Liability (c) Debit (d) Credit
- (ii) Dissolution expenses are credited to _____ A/c
(a) Realisation (b) Cash/Bank (c) Partner's Capital (d) Partner's Loan
- (iii) Outstanding subscription at the end of end of accounting year represents _____
(a) Liability (b) Asset (c) Expenditure (d) Capital Fund
- (iv) Owned fund = _____ + Preference shareholder fund
(a) Fixed Assets (b) Current Assets (c) Equity shareholder (d) Borrowed fund
- (v) When Goodwill is withdrawn by old partners _____ A/c is Credited.
(a) Cash/Bank (b) Capital (c) Revaluation (d) Profit and Loss Adjustment A/c

(D) STATE TRUE OF FALSE

- (i) The interest on drawing is an income of the partnership firm.
- (ii) Not for profit concerns concentrate their efforts on maximizing their profit.
- (iii) The new partner must pay his share of goodwill in cash only.
- (iv) Revaluation account is also called as Realisation account
- (v) The balance of capital account remain constant under fixed capital method.

(E) PREPARE A BILL OF EXCHANGE FROM THE FOLLOWING INFORMATION:

Drawer : Pankaj Kiran, Main road, Bhoom.
Drawee : Satish Kumar, Vidhyanagar, Ahmedpur.
Payee : Santosh Dhole, Udgir,
Period : 60 days
Accepted on : 21st May 1992.
Date of Bill : 15th May 1992.
Amount : Rs. 6,700.
The bill was accepted for Rs. .6,500/- only.

Q.2. Mr. Suhas a small trader provides you the following details about his business:

(8)

Particulars	1.4. 2011 (Rs.)	31.3.2012 (Rs.)
Debtors	45,000	50,000
Creditors	60,000	70,000
Computers	60,000	1,20,000
10% Govt Bonds	---	10,000
Bank Overdraft	80,000	40,000
Motor Van	80,000	80,000
Furniture	10,000	10,000
Stock	65,000	80,000
Cash in Hand	2,000	8,000
Bills Receivable	60,000	80,000

Additional Information:

- 1) On 1/10/12 he withdrew Rs. 40,000 for his personal use
 - 2) Charge interest on drawing Rs. 2,000
 - 3) He had also withdrawn Rs. 30,000 for Rent of his residential flat
 - 4) Depreciate Furniture by 10% and write off Rs. 2,000 from Motor Van
 - 5) 10% Government Bonds were purchased on 1/10/11
 - 6) Allow interest on capital at 10% p.a.
 - 7) Rs. 2,000 is written off as bad debts and provide 5% R.D.D. on debtors
- Prepare opening statement of affairs, closing statement and statement of profit or loss for the year ended 31/03/12

Q.3. Kate Bate and Mote were in partnership sharing profits and losses in the ratio of 2:3:3 respectively. Their Balance Sheet as on 30th June, 2003 was as follows:

(10)

Balance Sheet as on 30th June, 2003:

Liabilities	Rs.	Assets	Rs.
Creditors	40,000	Cash	22,500
Bank Overdraft	20,000	Bills Receivable	4,500
General Reserve	16,000	Debtors	60,000
<u>Capitals:</u>		Stock	35,000
Kale 20,000		Furniture	2,000
Bate 27,000		Building	29,000
Mote <u>30,000</u>	77,000		
	1,53,000		1,53,000

On 1st July, the admitted Thote into the firm on the following terms:

- (1) Thote to bring Rs.30,000 as his capital for 1/4th Share in future profits.
- (2) A goodwill account be raised in the books at Rs.30,000
- (3) The value of stock to be reduced by 10%
- (4) A provision of Rs.4,000 to be made for bad debts.
- (5) There being a claim for damages against the firm to the extent of Rs.1,000 to be made.
- (6) An item of Rs.500 included in creditors is to be written off.

Prepare (1) Profit and Loss Adjustment Account

(2) Partners Capital Account

(3) Balance Sheet of new firm.

OR

Q.3. Patel, Desai and Parekh are partners in a firm sharing profits and losses in the proportion of 5:3:2 respectively. Their Balance Sheet as on 31.12.90 is as:

(10)

Balance Sheet as on 31.12.1990

Liabilities	Rs.	Assets	Rs.
Creditors	8,000	Cash	2,500
General Reserve	10,000	Debtors	12,000
Bills Payable	5,000	Stock	10,000
<u>Capital:</u>		Land and Building	15,000
Patel 25,000		Machinery	7,000
Desai 20,000		Motor Van	20,000
Parekh <u>10,000</u>	55,000	Goodwill	11,500
	78,000		78,000

On 31st December, 1990 Parekh was retired and following adjustments have been agreed upon:

- (1) Goodwill was revalued at Rs.10,000
 - (2) Assets and Liabilities were revalued as follows: Debtors Rs.10,000; Stock Rs.9,000; Land and Building Rs.25,000, Machinery: Rs.6,000, Motor Van Rs.19,000 and Creditors Rs.6,000
 - (3) Patel and Desai contribute an additional capital of Rs.10,000 and Rs.5,000 respectively.
 - (4) Balance of Parekh's capital account is transferred to his loan account.
- Prepare necessary ledger account and balance sheet of the new firm.

Q.4. Journalise the following transactions in the books of Ramesh:

1. Vinayak's acceptance of Rs.10,000 to Ramesh was renewed by paying Rs.6,600 (including interest Rs.600) and fresh bill for the balance .
2. Ramesh retired his acceptance of Rs.15,000 to Rajiv at a rebate of 12%p.a.
3. Rakesh dishonoured his acceptance of Rs.5,000 to Ramesh due to his insolvency. Ramesh could recover 40% of the amount from Rakesh in full settlement. **(10)**

Q.5. A and B were partners in a firm sharing profits and losses in proportion of 2:1 respectively. Their Balance Sheet as on 31st December, 2002 was as under: **(10)**

Balance Sheet as on 31st December, 2002

Liabilities	Rs.	Assets	Rs.
<u>Capital:</u> A 1,87,500		Cash at Bank	25,000
B <u>1,87,500</u>	3,75,000	Buildings	1,75,000
Profit and Loss Account	15,000	Machinery	1,25,000
Bank Loan	37,500	Furniture	62,500
General Reserve	30,000	Debtors	1,12,500
Creditors	1,00,000	Stock	60,000
Unpaid Expenses	2,500		
	5,60,000		5,60,000

On the above date the firm was dissolved:

- (1) The assets were realized as follows: Buildings Rs.1,50,000; Machinery Rs.1,00,000; Stock Rs.50,000.
- (2) Rs.12,500 could not be recovered from debtors.
- (3) Furniture was taken over by A at its book value.
- (4) Creditors allowed a discount of Rs.15,000.
- (5) Realisation expenses amounted to Rs.2,500.

Give the Journal entries in the books of firm.

OR

Q.5. GHF Ltd. issued 3,00,000 Equity Shares of Rs.10 each payable as under: **(10)**

Rs.2.50 on application. Rs.4.00 on first and final call .Rs.3.50 on allotment.

Applications were received for 4,50,000 shares. The directors refused any allotment against applications for 50,000 shares. Remaining allotment was done on pro-rata basis. All moneys were called and paid. Pass necessary journal entries.

Q.6. Given below is the Receipts and Payments Account of a club for the Year ended on 31st Dec, 2005.

Receipts	Rs	Payments	Rs
To Balance b/d	2,050	By Salaries	1,200
<u>To Subscription</u>		By Expenses	150
2004 80		By Drama Expenses	950
2005 4,100		By Newspapers	300
2006 <u>120</u>	4,300	By Municipal Taxes	80
To Donation	1,090	By charity A/c	700
To Proceeds From Drama Tickets	1,900	By 6% Investments	4,000
To sale Of Waste papers	140	(Made on 1.8.05)	
		By Electricity Charges	300
		By Balance C/d	1,800
	9,480		9,480

Prepare Clubs Income and Expenditure Account for the year ended 31st December, 2005 and its balance as on that date after taking in to account the following Information:

- There are 50 Members each paying an annual subscription of Rs 10/-
- Subscription of Rs 100/- are still in arrears for the year ended 31.12.2004.
- Outstanding pMunicipal taxes for the year are Rs.120/-
- Outstanding salaries Rs.100/-
- Assets on 1st January, 2005 include Building Rs.8000/-, Furniture Rs.6, 000.
- Provide depreciation @ of 10%p.a on Building and Furniture

(12)

Q.7. Ram and Shyam are partners sharing profits and losses in the ratio of 2:3. Their trial balance as on 31st December, 2003 is given below. Prepare Final Accounts.

(15)

Debit Balance	Rs.	Credit Balance	Rs.
Purchases	98,000	<u>Capital Accounts:</u>	
Patent Rights	4,000	Ram	30,000
Building	1,00,000	Shyam	40,000
Stock (1.1.2003)	15,000	Provident Fund	7,000
Printing and Stationery	1,750	Creditors	45,000
Sundry Debtors	35,000	15% Bank Loan (30.6.2003)	12,000
Wages and Salaries	11,000	Sales	1,58,000
Audit Fees	700	Reserve for doubtful debts	250
Sundry Expenses	3,500	Purchase Return	3,500
Furniture	8,000		
10% Investments (Purchased on 30.6.2003)	10,000		
Cash	4,000		
Provident fund contribution	800		
Carriage Inward	1,300		
General Expenses	2,700		
	2,95,750		2,95,750

- Closing stock is valued at cost Rs.15,000 while its market price is Rs.18,000.
- On 31st December, 2003 stock of stationery was Rs.500
- Provide for doubtful debts @ 5% on debtors
- Depreciate building @ 5% and patents @ 10%
- Interest on capital is to be allowed @ 5%
- Goods of Rs.10,000 were destroyed by fire. The Insurance company admitted a claim for Rs.8,000.