

Q.1 Attempt any THREE of the following sub questions:

(A) Answer the following questions in one sentences each:

1. Why is partnership deed prepared?
2. Why is new partner admitted in partnership firm?

(B) Write a word/ term/ phrase which can substitute each of the following statements:

1. The transport expenses incurred to carry the goods purchased by the firm.
2. A bill of exchange drawn and accepted for the value received.

(C) Select the most appropriate answer from the alternatives given below and rewrite the sentences:

1. Income received in advance is shown on _____ side of the Balance Sheet.

- (a) Debit (b) Credit (c) Assets (d) Liabilities

2. Before acceptance, a bill of exchange is called a _____.

- (a) Promissory note (b) Draft (c) Hundi (d) Negotiable instrument

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

1. A bill of exchange is signed by the person on whom it is drawn.
2. At the time of dissolution loan from partner will be transferred to Realisation Account.

Q.2 Mr. Shailendra Singh, a wholesaler had no proper method of accounting.

The following information are available from his records:

Particulars	01-04-2016 Rs.	31-03-2017 Rs.
10% Investments	20000	30000
Building	100000	100000
Furniture and Fixtures	40000	65000
Sundry Debtors	16000	17500
Stock	24000	30000
Bills Receivable	12000	18000
Sundry creditors	16000	14200
Bank overdraft	25000	12000
Cash at bank	32000	50000
Bills Payable	12000	7500

Further information:

1. During the accounting year 2016-17, Mr. Shailendra had withdrawn Rs.50000 out of which he spent Rs.40000 for purchasing motorcycle for business use.
2. He has received from his father –in- law a gift of Rs.3000 which he has invested as additional capital in to the business as on 1-07-2016.
3. Prepaid insurance is Rs.3400 and Outstanding claim for damages payable is Rs.12000.
4. Additions are made to Investments and Furniture and Fixtures on 1-10-2016. Depreciate Building @5% p.a. and Furniture and Fixtures @10% p.a.
5. Interest is to be provided on Capital @ 10% p.a. and on drawings @ 12% p.a. Debtors of Rs.2400 turned out as bad and 5% of the remaining debtors are doubtful.

You are required to prepare: (1) Opening Statement of Affairs (2) Closing Statement of Affairs and (3) Statement of Profit or Loss for the year ended 31st March, 2017.

Or

Q.3 Given below is the Balance Sheet of Anita, Babita and Sarita who were sharing profits and losses in the ratio of 2:2:1 respectively.

Balance Sheet as on 31st March, 2017

Liabilities	Amount	Assets	Amount
Sundry Creditors	51000	Premises	320000
Bills Payable	30000	Machinery	198000
Capitals		Furniture	68000
Accounts:	228000	Stock in Trade	24000
Anita	228000	Sundry Debtors	18000
Babita	114000	Cash at Bank	43000
Sarita	50000	Profit and Loss	30000
Reserve Fund		A/c	
	7,01,000		7,01,000

On 1st April 2017, Anita retired from the firm on the following terms:

1. Assets be revalued as under:

Premises: Rs.350000, Machinery Rs.178000, Furniture Rs.60000 and Stock Rs.26000.

2. R.D.D be maintained at 5% on Debtors, The goodwill of the firm valued at Rs.48000. The remaining partners decided to write off goodwill in their new profit sharing ratio.

3. An item of Rs.4200 from Sundry Creditors is no longer a liability and hence should be properly adjusted.

4. The amount due to Anita be transferred to her loan account after paying her Rs.20000 by Cheque.

Pass necessary Journal Entries in the Books of the Firm.

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Q.6. Mayur Mitra Mandal was established on 01-04-2009 and the following is Financial Information for their first year i.e. 2009-2010. (12)

Receipts and Payments Account for the year ended 31st March,2010

Receipts	Rs.	Payments	Rs.
To Subscriptions	95,000	By Purchase of Furniture	20,000
To Entrance Fees	10,000	By Printing and Stationery	5,000
To Donations	75,000	By Newspapers and Periodicals	2,500
		By Office Rent	7,300
		By Salaries	8,400
		By Fixed Deposit	85,000
		By Balance c/d	
		Cash	1,800
		Bank	50,000
	1,80,000		1,80,000

Adjustments:

- 1) furniture was purchased on 1-10-2009 and it is to be depreciated @ 10%p.a.
- 2) all entrance fees and donations are to be capitalized.
- 3) there are 1000 members each paying Rs.100 as annual subscription.
- 4) salaries outstanding was Rs.600.

You are requested to prepare Income and Expenditure Account for the year ending 31-03-2010 and Balance Sheet as at that date.