

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

XII/Book Keeping /31.12.17

Marks:80

Duration: 3Hours

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

(15)

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

(5)

1. Why is partnership deed prepared?
2. Why is new partner admitted in partnership firm?
3. What is single entry system?
4. What do you mean by analysis of financial statement?
5. What is foreign bill of exchange?

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

(5)

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.
3. Liability likely to arise in future on happening of certain event.
4. Encashment Of the bill before its due date.
5. Critical evaluation of financial statement to measure profitability.

(C) Select the most appropriate answer from the alternatives given below and rewrite the sentences: (5)

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
3. A bill of one month duration is accepted on 12th July, 2017, its due date will be _____.
(a) 12th August, 2017 (b) 14th August, 2018 (c) 14th August, 2017 (d) 15th August, 2017
4. A, B and C are partners, sharing profits and losses in the ratio of $\frac{1}{2}, \frac{1}{3}$, and $\frac{1}{6}$ respectively, if B retires, the new ratio will be _____.
(a) 4:1 (b) 3:1 (c) 3:2 (d) 2:1
5. In statement of Profit or Loss, interest on drawings is shown as _____.
(a) addition (b) subtraction (c) ignored (d) multiplied

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

(5)

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.
3. Noting charges are payable to the Notary Public on honour of a bill of exchange.
4. All types of transactions are recorded in Single Entry System.
5. Profit on revaluation account is transferred to continuing partners capital accounts only.

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

(5)

- (1) Drawer - Mr. Anil Kamlesh Shah, 224, Kamal Niwas, Ambapeth, Amravati
- (2) Drawee - Mrs. Anita Vilas Gawde, 501, Manish Apartment, Nalasopara, Palghar-401 203.
- (3) Payee - Mrs. Pranali Namdeo Narkar, 444/D, Shivaji Nagar, Pune.
- (4) Amount of Bill - Rs. 45000
- (5) Period of bill - 90 days
- (6) Date of bill - 5th May, 2017.
- (7) Accepted on - 8th May, 2017.
- (8) Accepted for - Rs.44500

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

(8)

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.

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. (10)

Balance Sheet as on 31st March, 2017

Liabilities	Amount	Assets	Amount
Sundry Creditors	51000	Premises	320000
Bills Payable	30000	Machinery	198000
Capitals Accounts:		Furniture	68000
Anita	228000	Stock in Trade	24000
Babita	228000	Sundry Debtors	18000
Sarita	114000	Cash at Bank	43000
Reserve Fund	50000	Profit and Loss A/c	30000
	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.
- Prepare Profit and Loss Adjustment Account, Partners' Capital Accounts, Balance Sheet after retirement of Anita.

Or

Q.3 Ramesh and Jayesh were partners sharing profits and losses in the ratio 3:1 respectively. Their Balance Sheet was as follows:

Balance Sheet as on 31st March, 2017

Laibilities	Amount	Amount	Assets	Amount	Amount
Capital A/cs:			Land and Building		96000
Ramesh	165000		Plant and Machinery		54000
Jayesh	55000	220000	Patents		14500
Sundry Creditors		62000	Furnitures		54000
Bills Payable		18300	Stock		37800
General Reserve		30000	Sundry Debtors	20000	

		Less: R.D.D	2000	18000
		Cash at bank		24000
		Profit and Loss A/c		32000
	330300			330300

Mahesh is admitted as partner in the firm on 1st April, 2017 on the following terms:

- (1) Mahesh is to pay Rs.1,00,000 as his capital for $\frac{1}{5}$ th share in future profit and he should pay Rs.60000 as goodwill.
 - (2) R.D.D is to be provided on the debtors at 5%.
 - (3) Plant and Machinery was found undervalued by 10% and Land and Building was found overvalued by 20%.
 - (4) Stock is to be increased by Rs.2200 and furniture to be reduced to Rs.5400.
 - (5) Out of creditors Rs.1200 is no more payable. Patents are to be written off completely.
- Prepare Revaluation Account, Capital Accounts and Balance Sheet.

Q.4. Aryan sold goods for Rs.30,000 to Raman. Raman accepted a bill of Rs 30,000 drawn by Aryan for 3 months. Aryan got the bill discounted with his bank at 12% p.a. Before the due date, Raman approached Aryan for renewal of the bill. Aryan agreed on the condition that Rs 12,000 be paid immediately and for the balance due, he should accept a new bill for three months together with interest at 12% p.a. These arrangements were carried through. Afterwards, Raman retired the bill by paying Rs 18,400. Pass journal entries in the books of Aryan and show Aryan's A/C in the books of Raman. **(10)**

Q.5 Monika, Sarika and Menaka are in partnership sharing profits and losses in the ratio of 2:2:1. Their Balance Sheet as on 31st March, 2017 was as follows: **(10)**

Balance Sheet as on 31st March, 2017 was as follows:

Liabilities	Amount	Assets	Amount
Sundry Creditors	32000	Premises	180000
Bank Loan	48000	Machinery	60000
General Reserve	15000	Stock in Trade	20000
Capitals A/cs:		Debtors	16000
Monika	26000	Cash at bank	26000
Sarika	116000	Current A/cs:	
Menaka	73000	Monika	8000
Menaka's Current A/c	34000	Sarika	6000
		Profit and Loss A/c	28000
	3,44,000		3,44,000

The firm was dissolved on the above date:

- (1) The Assets realised as follows: Premises Rs.150000, Machinery Rs.42000, Stock Rs.15000, Bad debts and discount allowed to debtors amounted to Rs.3200.
 - (2) Sundry Creditors paid Rs.30000 in full settlement of their claims. Bank loan was settled at 90% of its book value.
 - (3) A contingent liability realised and settled for Rs.10500. The expenses of realization paid Rs.3200.
 - (4) Monika was declared insolvent and only 40% of her dues recovered from her private estate.
- Prepare Realisation A/c, Partners Capital A/cs and Current A/cs and Bank A/c.

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		51,800
			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.

Q.7 From the following Trial Balance of Dinesh and Damayanti, you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2017 and Balance Sheet as on that date: (15)

Trial Balance as on 31st March, 2017

Debit Balances	Amount	Credit Balance	Amount
Drawings A/cs:		Capital A/cs:	
Dinesh	32000	Dinesh	200000
Damayanti	21000	Damayanti	100000
Stock on 1-04-2016	54000	Sales	366800
Bills Receivable	11800	Returns	3200
Purchases	194000	Creditors	67000
Returns	7000	Discount Received	12000
Salaries	46000	R.D.D	3900
Carriage in Outwards	4400	Bank Overdraft	60000
Wages	34000		
Insurance	11600		
Postage	300		
Debtors	30400		
Furniture	124000		
Cash in Hand	49900		
Machinery	180000		
Rent and Taxes	11200		
Printing and Stationery	1300		
	8,12,900		8,12,900

Adjustments:

- (1) Closing Stock as on 31st March, 2017 was valued at Rs.72000 which was 20% above its cost.
- (2) Outstanding expenses were : Wages Rs.10000 and Salaries Rs.14000. Prepaid Rent Rs.1200
- (3) Goods distributed as free samples were Rs.6000. Partners share profits and losses in their capital proportion.
- (4) Interest on partners capital at 12% p.a. was to be provided and on drawings at 10% p.a.
- (5) Insurance is paid for the year ended 30th June, 2017.
- (6) Depreciate Furniture at 10% and Machinery at 5%.
- (7) Write off Rs.400 as bad debt and provide Reserve for bad and doubtful debt at 5% on debtors.