

HERAMB COACHING CLASSES

Yogeshwar Towers, Katemanivali, Kalyan (East)

XII/Book-keeping

Marks: 80

Duration: 3 Hours

Date: 31/12/2018

Q.1. ATTEMPT ANY THREE QUESTIONS OF THE FOLLOWING:

(15)

(A) Answer in one sentence:

(5)

- 1) Who is a Drawee?
- 2) What is Profit and Loss Account?
- 3) What do you mean by Dissolution of Partnership Firm?
- 4) What is Surplus?
- 5) What is Single Entry System?

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

(5)

- (1) Stock in hand at the end of the accounting year.
- (2) Encashment of the bill before due date
- (3) Excess of income over expenditure
- (4) Expenses which are due but not paid at the end of the year.
- (5) Debit Balance in Realisation Account

(C) Select the most appropriate alternative from those given below:

(5)

- (1) If a bill is drawn on 23rd November 2006, for 2 months its due date will be _____
(a) 23rd January 2007 (b) 26th January 2007
(c) 27th January 2007 (d) 25th January 2007
- (2) Debit balance in trading account shows _____.
(a) Gross Profit (b) Net Profit (c) Net Loss (d) Gross Loss
- (3) Subscription Received in advance during the accounting year is an _____.
(a) Income (b) Expense (c) Asset (d) Liability
- (4) Under single entry system _____ is prepared to find out net profit or loss.
(a) Statement of affairs (b) Balance Sheet
(c) Profit & Loss A/c (d) Statement of Profit or Loss.
- (5) Assets and liabilities are transferred to Realisation Account at their _____ value.
a) Market b) purchase c) sale d) book

(D) State True or False:

(5)

- (1) When a bill of exchange falls due on 26th January, its payment will be made on 27th January.
- (2) Balance Sheet is an account.
- (3) The goodwill brought in by the new partner is shared by all partners.
- (4) Balance of retiring partner's capital account is transferred to his legal heir's account.
- (5) On dissolution, all assets are transferred to Realisation Account.

(E) Prepare a bill of exchange from the following information:

(5)

- | | | |
|--------------------|---|---------------------------------|
| Drawer | : | Vijay Baug, Cross Road, Kanpur. |
| Drawee | : | Ashok Karnik, B.G.Road, Kanpur. |
| Payee | : | Sunil Jadhav, Pune. |
| Amount of bill | : | Rs.16,950. |
| Period | : | 90 days. |
| Date of bill | : | 17 th March, 2011 |
| Date of Acceptance | : | 19 th March, 2011. |

The bill was accepted for Rs.16,750 only.

Q.2. A and B are in partnership. Their Capital on 1st April 2010 were Rs. 30,000 each. The assets and liabilities as on 31st March 2011 were as follows: **(10)**

Cash in Hand Rs. 2,400, Cash at Bank Rs.16,000, Bills Receivable Rs.4,000, Debtors Rs.28,600, Stock Rs. 26,000, Machinery Rs. 14,000, Furniture Rs. 8,000, Bills Payable Rs. 3,000, Sundry Creditors Rs. 6,000, Outstanding Salary Rs. 800

- (1) Provide Rs. 600 as Bad Debts and 5% RDD
- (2) Depreciate Furniture @ 5% p.a. and Machinery @ 10% p.a.
- (3) Stock is undervalued by Rs. 2,000
- (4) Sundry Creditors are overvalued by Rs. 1,000
- (5) Prepaid Insurance Rs. 2,000
- (6) Additional Capital introduced by Partner Rs. 4,000 each
- (7) Drawing of A Rs. 3,000 and B Rs. 2,000

Calculate the profit for the year ended 31st March 2011.

Q.3. X and Y are partners sharing profits and losses 3:2 respectively. Their position as on 31st December, 2002 was as follows: **(10)**

| Liabilities | Rs. | Assets | Rs. |
|-----------------|-----------------|---------------|--------------|
| Creditors | 25,000 | Bank Balance | 37,500 |
| Bills Payable | 12,500 | Buildings | 2,50,000 |
| General Reserve | 37,500 | Debtors | 1,25,000 |
| <u>Capital:</u> | | Less: R.D.D | <u>2,500</u> |
| X | 2,50,000 | Furniture | 25,000 |
| Y | <u>1,87,500</u> | Closing Stock | 77,500 |
| | 5,12,500 | | 5,12,500 |

On 1st January, 2003 they admitted Mr. Z on following terms:

- (1) Z should bring in cash Rs.2,50,000 as a Capital for 1/5th share in future profit and Rs.62,500 as Goodwill.
- (2) Building should be revalued for Rs.3,12,500.
- (3) Depreciate furniture at 12½% and stock at 10%
- (4) R.D.D should be maintained as it is.
- (5) Capital Accounts of all partners should be adjusted in their new profit sharing ratio.

Prepare: Profit and Loss Adjustment Account, Capital Accounts and Balance Sheet of new Firm

OR

Q.3. Sathe, Deshpande and Madlani were partners sharing profits and losses in the ratio of 5:2:3. Their Balance Sheet was as follows: **(10)**

Balance Sheet as on 31st March 2012

| Liabilities | Rs. | Assets | Rs. |
|---------------|----------|---------------------|--------------|
| Capital: | | Plant and Machinery | 50,000 |
| Sathe | 70,000 | Building | 1,00,000 |
| Deshpande | 80,000 | Motor Van | 20,000 |
| Madlani | 50,000 | Stock | 30,000 |
| Creditors | 25,000 | Debtors | 36,000 |
| Bills Payable | 12,000 | Less: RDD | <u>2,000</u> |
| Reserve Fund | 25,000 | Cash | 28,000 |
| | 2,62,000 | | 2,62,000 |

Deshpande retired on that date on the following terms:

- (i) Plant and Machinery to be depreciated by 10% and Motor Van by 20%
- (ii) Stock to be appreciated by 10% and Building by 20%
- (iii) RDD is no longer necessary
- (iv) Provision is to be made for Rs. 8,000 being compensation to workers

- (v) The goodwill of the firm to be valued at Rs. 40,000 and Deshpande share in it should be raised
- (vi) Both the remaining partners decided to write off the goodwill
- (vii) Amount payable to Shri Deshpande to be kept as loan.

Prepare Profit and Loss Adjustment Account, Partner Capital Account, New Balance Sheet

Q.4. On 6th July, Arvind sold goods to Anish worth Rs. 8,000 and draws upon the later a bill for three months which was duly accepted. The bill was discounted with the bank at 10% p.a. On the due date, the bill was dishonoured and noting charges of Rs. 50 was paid. Anish paid Rs. 2,000 and the noting charges and accepted a new bill for 2 months at 12% p.a. interest. The new bill was dishonoured on the due date due to insolvency only 50 paise per rupee was collected as first and final dividend. Pass Journal Entries in the books of Arvind and Arvind's Account in the books of Anish. **(10)**

Q.5. Kishor, Abhay and Vinod were partners sharing Profit and Losses in the ratio of 2:2:1 respectively. They decided to dissolve the firm on 30th April 2012 when their position was as under:

Balance Sheet as on 30th April 2012

| Liabilities | Rs. | Assets | Rs. |
|------------------|--------|---------------------|--------|
| Capital Account: | | Building | 18,900 |
| Kishor | 9,800 | Machinery | 26,700 |
| Abhay | 9,100 | Stock | 12,500 |
| Vinod | 6,100 | Debtors | 16,900 |
| Creditors | 50,000 | Bank | 11,000 |
| Bills Payable | 20,000 | Profit and Loss A/c | 9,000 |
| | 95,000 | | 95,000 |

The firm was dissolved on the above date and the following results of realisation were as under:

- (i) The assets realized under Building Rs. 10,300, Machinery Rs. 17,500, Stock Rs. 4,200, Debtors Rs. 9,700
- (ii) Realisation expenses amounted to Rs. 1,700
- (iii) All partners were declared insolvent. The recovery from their private estate was as follows:
Kishor Rs. 2,000, Abhay Rs. 3,000 and Vinod – Nil

Prepare necessary Ledger Account to close the books of the firm. **(10)**

Q.6. From the following Balance Sheet and Receipts and Payments account of Vidya Mandir High School, Alibag. Prepare Income and Expenditure Account for the year ended 31st March, 2008 and Balance Sheet as on that date. **(12)**

Balance Sheet as on 1st April, 2007

| Liabilities | Rs. | Assets | Rs. |
|---------------|----------|--------------------------|----------|
| Entrance fees | 6,000 | Furniture | 16,800 |
| Capital Fund | 1,03,800 | Laboratory | 20,000 |
| | | Library | 25,000 |
| | | Investment | 40,000 |
| | | Cash in hand | 1,000 |
| | | Cash at bank | 3,000 |
| | | Outstanding Tuition Fees | 4,000 |
| | 1,09,800 | | 1,09,800 |

Receipts and Payment Account for the year ended 31st March 2008

| Receipts | Rs. | Payments | Rs. |
|-----------------|--------|------------------------------|--------|
| To Balance b/f | | By Furniture | 5,400 |
| Cash in Hand | 1,000 | By Salaries | 60,000 |
| Cash at Bank | 3,000 | By Rent | 28,000 |
| To Tuition Fees | 80,000 | By Sundry Expenses | 15,200 |
| To Term Fees | 26,200 | By Annual Gathering Expenses | 11,300 |

| | | | |
|---------------------------|----------|---------------------------|----------|
| To Government Grants | 16,000 | By Insurance | 4,000 |
| To Donation of Library | 30,000 | <u>By Closing Balance</u> | |
| To Interest on Investment | 2,000 | Cash in Bank | 34,300 |
| | 1,58,200 | | 1,58,200 |

Adjustment:

- (i) Tuition fees still receivable are Rs. 10,000
- (ii) Salaries still payable are Rs. 30,000
- (iii) Insurance premium is paid for one year ending 30.09.2008
- (iv) Rent paid in advance Rs. 4,000
- (v) Depreciate furniture and library at 10%

Depreciation to be charged on the closing balance of the assets.

Q.7. Avni and Kamini are partners sharing profits and losses in the ratio of 3:1. Following is the Trial Balance as on 31st December, 2003. **(15)**

| Debit | Rs. | Credit | Rs. |
|-------------------------|----------|------------------|----------|
| Land and Building | 50,000 | Avni's Capital | 1,00,000 |
| Machinery | 40,000 | Kamini's Capital | 80,000 |
| Salary and Wages | 21,000 | Sales | 3,02,000 |
| Cash at Bank | 45,000 | Returns | 5,500 |
| Cash in Hand | 6,100 | Creditors | 35,000 |
| Office Expenses | 1,000 | Bills Payable | 33,000 |
| Motor Vans | 28,000 | | |
| Avni's Drawings | 11,000 | | |
| Kamini's Drawings | 11,000 | | |
| Carriage | 5,000 | | |
| Purchases | 2,10,000 | | |
| Returns | 2,000 | | |
| Bad Debts | 1,000 | | |
| Debtors | 42,800 | | |
| Rent | 1,100 | | |
| Printing and Stationery | 1,500 | | |
| Traveling Expenses | 5,500 | | |
| Stock (1.1.2003) | 30,000 | | |
| Insurance | 1,500 | | |
| Discount | 8,000 | | |
| Advertisement | 4,000 | | |
| Furniture | 30,000 | | |
| | 5,55,500 | | 5,55,500 |

- (1) Closing stock was valued at Cost Price Rs.61,000, which is more than Market Price by Rs.1,000.
- (2) Goods worth Rs.5,000 were destroyed by fire & insurance co. admitted claim of Rs.4,000/-
- (3) Outstanding expenses: Rent Rs.100 and Salary Rs.500.
- (4) Provide Depreciation at 10% on Machinery and 5% on Furniture.
- (5) Write off Rs.800 as Bad debts and provide Rs.1,500 for R.D.D on Debtors.
- (6) Interest on Capital @ 5% p.a. is to be provided.

Prepare Trading and Profit and Loss Account and Balance Sheet as on that date.

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