



Particulars	Rs.	Particulars	Rs.
Plant	50,000	Debtors	25,000
Land & Building	20,000	Creditors	25,000
Stock	40,000	Cash	20,000

You are required to ascertain the amount of Profit / Loss for the year ended 31.3.89 and a statement of affairs as on that date after making into the following adjustments:

- 1) Depreciate Plant @ 10% p.a. including additions.
- 2) During the year, A and B drew Rs.12,000 and 9,000 respectively.
- 3) Provide interest on capital @ 5% p.a.

**Q.3. Hassan and Husain are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet on 31<sup>st</sup> March 2011 is as follows: (10)**

Balance Sheet as at 31<sup>st</sup> March 2011

Liabilities	Rs	Assets	Rs
Sundry Creditors	15,000	Cash in Hand	250
General Reserve	10,000	Sundry Debtors	22,250
<u>Capital:</u>		Stock	8,500
Hassan	36,000	Investments	12,000
Husen	24,000	Plant	30,000
		Buildings	12,000
	85,000		85,000

They decided to admit Hari in the partnership on 1<sup>st</sup> April 2011. The terms agreed were:

- (1) Hari should bring in Rs 20,000 as his capital for 1/5<sup>th</sup> share in future profits
- (2) Value of goodwill of the firm is to be fixed at two years purchase of the average profits for the last three years. The profits were:  
2008-09 – Rs 16,000; 2009-10—Rs 27,000; 2010-11—Rs 24,500
- (3) Reserve for doubtful debts is to be created at Rs 500
- (4) Closing stock is valued at Rs 7,500
- (5) Plant and Building is to be depreciated by 5%

Prepare Profit and Loss Adjustment A/c, Partner's Capital A/c and Balance Sheet of the new firm.

**OR**

**Q.3. Anand, Anurag and Atul were partners in a business sharing profits and losses in the ratio of 6:1:1 respectively and their balance sheet as on 31<sup>st</sup> March 2013 was as follows: (10)**

Balance Sheet as on 31<sup>st</sup> March 2013

Liabilities	Rs	Assets	Rs
Sundry Creditors	15,000	Plant and Machinery	30,000
Reserve Fund	8,000	Sundry Debtors	25,000
<u>Capital A/c:</u>		Stock	20,000
Anand	30,000	Cash at Bank	25,000
Anurag	25,000		
Atul	22,000		
	1,00,000		1,00,000

Atul died on 31<sup>st</sup> Dec 2013 and the partnership deed provided that

- 1) The deceased partner to be given his share of profit to the date of his death on the basis of the profit of the previous year
- 2) His share of goodwill will be calculated on 3 years purchase of the average profits of the last 4 years. The net profit for last 4 years were: 2009-10 Rs 80,000, 2010-11 Rs 60,000, 2011-12 Rs 40,000, 2012-13 Rs 20,000
- 3) Plant and Machinery to be revalued at Rs 35,000. Reserves for Doubtful Debts of Rs 1,000 to be created.
- 4) The drawings of Atul upto the date of his death amounted to Rs 9,000, Interest on Capital at 10% p.a. is to be allowed and charge Interest on drawing Rs 400

Prepare Revaluation A/c, Partner's Capital A/c, Balance Sheet of after death of Atul.

**Q.4. Journalise the following transaction in the books of Jwala: (10)**

- 1) Abdul informed Jwala that John's acceptance endorsed to Abdul for Rs 16,000 has been dishonoured and noting charges amounted Rs 200
- 2) Sony renews her acceptance to Jwala for Rs 24,000 by paying half the amount of the bill in cash together with interest @10% p.a. on balance due and accepting a fresh bill for 3 months
- 3) Trupti who has given an acceptance to Jwala for Rs 36,000 was declared insolvent and could pay only 40% of the amount due.
- 4) Raja's acceptance to Jwala for Rs 6,000 was endorsed to Rani in full settlement of her account for Rs 6,300

**Q.5. Sun, Moon and Star were equal partners. Their Balance Sheet as on 31<sup>st</sup> March 2011 was as under: (10)**

Balance Sheet as on 31<sup>st</sup> March 2011

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
<u>Capital A/c</u>			<u>Current A/c</u>		
Sun	20,000		Star		13,000
Moon	16,000		Premises		9,800
Star	<u>1,000</u>	37,000	Machinery		8,500
<u>Current A/c</u>			Debtors	11,000	
Sun	2,000		Less: RDD	<u>200</u>	10,800
Moon	<u>1,000</u>	3,000	Furniture		900
Sundry Creditors		8,000	Profit and Loss A/c		6,000
Bills Payable		<u>2,000</u>	Cash		<u>1,000</u>
		50,000			50,000

On the above date they decided to dissolve the partnership firm and the result of realisation were as under:

- i) Sun to take over premises at an agreed value of Rs. 5,000, Machinery realized at 80% of book value and Debtors at Rs. 8,300, Furniture realized Rs. 1,000
  - ii) Sundry Creditors were paid Rs. 4,100 in full satisfaction of their claims, whereas Bill payable were discharged by Sun at Book Value
  - iii) Realisation expenses amounted to Rs. 1,100 which were met by Sun
  - iv) Star becomes insolvent and Rs. 7,000 could be recovered from his private estate
- Prepare necessary ledger accounts to close the books of the firm.

**Q.6. Following is the Receipts and Payment A/c and additional information of Kalpana Hospital. (12)**

Receipts and Payment Account for the year ended 31<sup>st</sup> March 2010

Receipts		Rs	Payment	Rs
To Balance b/d		6,000	By Medicine	10,000
<u>To Subscription :-</u>			By Honorarium to Doctors	75,000
2008-09	7,500		By Ambulance Maintenance	44,000
2009-10	95,000		By Hospital Equipment	30,000
2010-11	<u>15,000</u>	1,17,500	Purchased	25,000
To Donation		55,000	By Furniture purchased	1,00,000
To Life Membership Fees		25,000	By Fixed Deposits	
To Hospital Receipts (Revenue)		1,50,000	By Balance c/d (31.03.2010)	69,500
		3,53,500		3,53,500

Additional Information:

- 1) Outstanding subscription for 2009-10 is amounted to Rs 5,000

- 2) Hospital equipment and furniture were purchased on 1.10.2009 and both were to be depreciated at 20% p.a.
  - 3) Life membership fees are to be capitalized
  - 4) Donations represent donations for Building fund
  - 5) Staff salary for the current year is outstanding Rs 7,500
  - 6) On 1.4.2009 the hospital had the following assets and liabilities: Land Rs 2,50,000, Investment Rs 50,000, Ambulance Rs 1,02,500, Bank Loan Rs 2,00,000
  - 7) Capital Fund as on 1.4.2009 was amounted to Rs 2,16,000
- Prepare Income and Expenditure Account for the year ending 31<sup>st</sup> March 2010 and the Balance Sheet as on that date

**Q.7. From the following Trial Balance of Mr. Patankar and Kale, you are required to prepare a Trading A/c' Profit and Loss A/c for the year ended on 31<sup>st</sup> March 2013 and Balance Sheet as on that date, after taking into consideration the additional information given below: (15)**

Trial Balance as on 31<sup>st</sup> March 2013

Particulars	Debit (Rs)	Credit (Rs)
Stock (1.4.2012)	40,000	
Bills Receivable	8,800	
Purchases and Sales	1,90,000	2,52,000
Returns	6,000	
Salaries and Wages	10,000	
Carriage outward	1,400	
Wages	24,000	
Insurance	1,600	
Discount		400
Postage	800	
Debtors and Creditors	70,400	64,000
Furniture	20,000	
Cash at Bank	13,800	
Machinery	80,000	
Printing and Stationery	1,600	
8% Bank Loan (Taken on 1 <sup>st</sup> October 2012)		52,000
<u>Capital:</u>		
Patankar		60,000
Kale		40,000
	4,68,400	4,68,400

Adjustment:

- (1) Closing Stock on 31.3.2013 was valued at Rs 36,000
- (2) Depreciate Machinery by 10%
- (3) Outstanding Wages Rs 2,000 and Salaries Rs 900.
- (4) Bad Debts of Rs 2,400 are to be written off and provision for RDD @ 5% on Debtors must be created.
- (5) Goods of Rs 10,000 were destroyed by fire and Insurance Company admitted a claim of Rs 7,500 only.

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