

Reg. No. :

Name :

**SECOND YEAR
SAY/IMPROVEMENT
JUNE 2018**

Time : 2½ Hours
Cool-off time : 15 Minutes

Part – III

ACCOUNTANCY WITH ANALYSIS OF FINANCIAL STATEMENTS

Maximum : 80 Scores

General Instructions to Candidates :

- There is a 'Cool-off time' of 15 minutes in addition to the writing time.
- Use the 'Cool-off time' to get familiar with questions and to plan your answers.
- Read questions carefully before answering.
- Read the instructions carefully.
- Calculations, figures and graphs should be shown in the answer sheet itself.
- Malayalam version of the questions is also provided.
- Give equations wherever necessary.
- Electronic devices except non-programmable calculators are not allowed in the Examination Hall.

വിദ്യാർത്ഥികൾക്കുള്ള പൊതുനിർദ്ദേശങ്ങൾ :

- നിർദ്ദിഷ്ട സമയത്തിന് പുറമെ 15 മിനിറ്റ് 'കൂൾ ഓഫ് ടൈം' ഉണ്ടായിരിക്കും.
- 'കൂൾ ഓഫ് ടൈം' ചോദ്യങ്ങൾ പരിചയപ്പെടാനും ഉത്തരങ്ങൾ ആസൂത്രണം ചെയ്യാനും ഉപയോഗിക്കുക.
- ഉത്തരങ്ങൾ എഴുതുന്നതിന് മുമ്പ് ചോദ്യങ്ങൾ ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- നിർദ്ദേശങ്ങൾ മുഴുവനും ശ്രദ്ധാപൂർവ്വം വായിക്കണം.
- കണക്ക് കൂട്ടലുകൾ, ചിത്രങ്ങൾ, ഗ്രാഫുകൾ, എന്നിവ ഉത്തരപേപ്പറിൽ തന്നെ ഉണ്ടായിരിക്കണം.
- ചോദ്യങ്ങൾ മലയാളത്തിലും നൽകിയിട്ടുണ്ട്.
- ആവശ്യമുള്ള സ്ഥലത്ത് സമവാക്യങ്ങൾ കൊടുക്കണം.
- പ്രോഗ്രാമുകൾ ചെയ്യാനാകാത്ത കാൽക്കുലേറ്ററുകൾ ഒഴികെയുള്ള ഒരു ഇലക്ട്രോണിക് ഉപകരണവും പരീക്ഷാഹാളിൽ ഉപയോഗിക്കുവാൻ പാടില്ല.

PART - A
ACCOUNTANCY

(Maximum Scores : 40)

Answer the following questions from 1-5. Each carries 1 score.

(5 × 1 = 5)

1. Receipts and Payment A/c is equivalent to ____
 - (a) Profit and Loss A/c
 - (b) Balance Sheet
 - (c) Trial Balance
 - (d) Cash Book

2. Under fixed capital method interest on drawing should be shown in
 - (a) Current A/c
 - (b) Capital A/c
 - (c) Revaluation A/c
 - (d) Realisation A/c

3. At the time of admission of a partner General Reserve should be
 - (a) Debited to Capital A/c of old partners.
 - (b) Credited to Capital A/c of old partners.
 - (c) Allowed remains in the Balance Sheet.
 - (d) Debited to Current A/c.

4. Where do you record when a partner takes an asset at the time of dissolution ?
 - (a) Debited in partners Capital A/c
 - (b) Credited in partners Capital A/c
 - (c) Debited in Realization A/c
 - (d) Credited in Revaluation A/c

5. Identify the situation where partnership firm is not compulsorily dissolved.
 - (a) When partner gives a notice in writing.
 - (b) When all partners except one become insolvent.
 - (c) When a business become illegal.
 - (d) When all partners except one become insane.

Answer any 3 questions from 6 – 9, each carries 2 scores.

(3 × 2 = 6)

6. In the year 2015, the subscription received by Janani Sports Club was ₹ 1,00,000. There include ₹ 4,000 for the year 2012 and ₹ 8,000 for the year 2016. On Dec. 31-2015 the amount of subscription due was ₹ 10,000. Calculate the amount of subscription to be shown in the Income and Expenditure A/c.
7. Ragam Sports Club received a donation for constructing a pavilion in their ground in the year 2016-17. How will you treat this in the books of account ?
8. Jayan and Sohan are partners in a firm. Jayan's capital in the firm showed ₹ 2,00,000 on April-1-2015. He introduced an additional capital of ₹ 50,000 on July-1-2015. Calculate the interest on capital of Jayan if the rate of interest is 8%. Assume the books of accounts are closed on 31st March every year.
9. What are the main factors affecting the value of goodwill ?

Answer any 2 questions from 10 – 12, each carries 3 scores.

(2 × 3 = 6)

10. Simi, Mini and Suni are partners in a firm sharing P & L in the ratio 2:2:1. Suni was guaranteed a minimum amount of ₹ 20,000 as share of profit every year. Any deficiency shall be met by Simi and Mini. The profit for the year were ₹ 60,000 prepare P & L Appropriation A/c.
11. Ayisha, Anagha and Anjana are partners in a firm and Anagha decided to retire from the firm. Can you identify what are the different amounts to be transferred to her account ?
12. Bring out any three differences between dissolution of partnership and dissolution of partnership firm.

13. Akash and Balan are partners in a firm who share profit in the ratio 3:2. Their Balance Sheet on 01-04-2016 stood as follows.

Balance Sheet as on 01-04-2016

Liability	Amount	Assets	Amount
Sundry Creditors	15,000	Cash in hand	5,000
Bills payable	5,000	Debtors	15,000
Capitals :		Stock	20,000
Akash	40,000	Furniture	15,000
Balan	30,000	Plant and Machinery	35,000
	90,000		90,000

On this date Chandran was admitted on the following terms :

- (1) He bring ₹ 20,000 as capital and ₹ 5,000 for goodwill.
 - (2) The value of stock is reduced by 10%.
 - (3) The plant and machinery increased by 20%.
 - (4) 5% provision for doubtful debts is to be created on debtors.
 - (5) Value of furniture reduced to 12,000.
 - (6) A creditor of ₹ 250 is not likely to be claimed.
- Prepare Revaluation A/c.
14. Prakash and Manoj are partners in a firm. Their total capital stands ₹ 1,50,000. The market rate of interest is 10%. Both partners are getting an annual salary of ₹ 5,000 each. The profit for the last 3 years were ₹ 35,000, ₹ 33,000 and ₹ 40,000. The goodwill is to be valued at 2½ years purchase of last 3 years super profit. Calculate goodwill of the firm.
15. John, Thomas and David are partners in a firm. Thomas decides to retire from the firm. On the date of retirement ₹ 80,000 becomes due to him. John and David promises him to pay the amount in four equal yearly instalments plus interest @ 12% per annum on the unpaid balance. Prepare Thomas's Loan A/c.

16. Rani, Preethi and Meera are partners sharing P & L in the ratio of 2:2:1. Their Balance Sheet as on March 31, 2017 as follows :

Balance Sheet as on 31-03-2017

Liability	Amount	Assets	Amount
Sundry Creditors	3,000	Cash in hand	7,000
Reserve fund	3,500	Stock	3,500
Capital		Debtors	4,000
Rani	10,000	Furniture	8,000
Preethi	10,000	Plant & Machinery	9,000
Meera	5,000		
	31,500		31,500

They decided to dissolve the business. The assets are realized as follows :

Plant and Machinery ₹ 10,000, Stock ₹ 3,500, Debtors ₹ 3,750, Furniture ₹ 7,500. Realisation expense ₹ 450 is met by Rani. Creditors were paid 5% less. There was an unrecorded assets of ₹ 750, which were taken by Preethi at ₹ 500. Prepare Realization A/c.

Answer Question No. 17 it carries 8 scores :

(1 × 8 = 8)

17. The Receipts and Payment A/c of Thanal Cultural Society for the year ended March 31, 2016 is given below. Prepare Income and Expenditure A/c and Balance Sheet from the information.

Receipts and Payments A/c

Cash in hand	2,800	Rent	20,000
Entrance fees	3,000	Wages	10,000
Subscriptions	45,000	Interest	2,000
Locker rent	1,300	Postage	1,300
Donation for building	25,000	Billiards Table	15,000
Profit from entertainment	3,000	Salary	25,000
Life membership fees	8,000	Furniture	10,000
		Cash in hand	4,800
	88,100		88,100

Additional Information :

Subscription outstanding on March 31, 2015 is ₹ 1,300 and ₹ 2,800 on March 31, 2016. Rent related to 2013 ₹ 1,800 is still unpaid. The value of postage stamps on 01-04-2015 ₹ 500 and on 31-03-2016 ₹ 300. The Cultural Society owned a furniture for ₹ 16,000 on 01-04-2015 and the value of furniture on 31-03-2016 is ₹ 23,500.

PART - B
ANALYSIS OF FINANCIAL STATEMENTS

(Maximum Scores : 40)

Answer the following questions (1 - 5). Each carries 1 score.

(5 × 1 = 5)

1. The security premium amount can be utilized by a company for
 - (a) Payment of dividend
 - (b) Writing off loss in scale of fixed asset
 - (c) Payment of salary to staff
 - (d) Writing off preliminary expense

2. Which of the following is not a method of redemption of debenture ?
 - (a) Payment in Lumpsum
 - (b) Purchase in open market
 - (c) Lottery method
 - (d) Conversion into shares

3. If sales is 5,00,000 and net profit is 1,00,000, then Net profit ratio is
 - (a) 20%
 - (b) 25%
 - (c) 30%
 - (d) 50%

4. The ideal level of current ratio is
 - (a) 1:2
 - (b) 2:1
 - (c) 3:2
 - (d) 1:1

5. Which one of the following shows cash from investing activities ?
 - (a) Sale of fixed asset
 - (b) Dividend received
 - (c) Purchase of fixed asset
 - (d) Cash receipt from customer

Answer any 2 questions from 6 - 8, each carries 2 scores.

(2 × 2 = 4)

6. State the importance of Reserve Capital for a company.

7. Polytex Ltd. purchased its own debentures of ₹ 100 each of the face value of ₹ 20,000 from the open market for cancellation at ₹ 92. Write the Journal entry for the above case.

8. In which head you will show the following item in the Balance Sheet of a company ?
 - (a) Debenture
 - (b) Inventories
 - (c) Trade payable
 - (d) General reserve

Answer any 3 questions from 9 to 12, each carries 3 scores.

(3 × 3 = 9)

9. Pratheeksha Ltd, a joint stock company incorporated last month wish to issue shares at a discount of 11%. Can the company issue shares at discount ? Specify the condition for issue of shares at discount.
10. HML Ltd. purchased machinery of the value of ₹ 2,20,000 from Proudent Ltd. by issuing 2000, 12% debenture of ₹ 100 each at a premium of 10%. Record necessary Journal Entries.
11. Show the following item in the Balance Sheet of Glory Ltd. as per revised Schedule VI as on 31st March, 2016.

Equity share capital	6,00,000
12% debenture	7,00,000
Security premium	50,000
Accounts payable	2,00,000
Fixed asset	50,00,000
Inventories	10,00,000
Accounts receivables	7,00,000
Cash in hand	2,50,000

12. List out the importance of Ratio analysis.

13. Match the following :

(4)

A	B
(1) Cash paid to supplier	(a) Financing activities
(2) Proceeds from issue of shares	(b) Non-cash transaction
(3) Cash receipts from sale of fixed assets	(c) Operating activity
(4) Purchase of machinery by using shares	(d) Inventing activities

Answer any 2 questions from 14 to 16, each carries 5 scores.

(2 × 5 = 10)

14. List out the importance and objectives of cash flow statement.

15. Compute the trend percentage from the following data :

Year	Sales	Stock	Profit
2011	3,00,000	60,000	12,000
2012	3,20,000	65,000	18,000
2013	3,60,000	50,000	16,000
2014	4,00,000	80,000	20,000

16. Glory Ltd. gives you their Profit and Loss Statement. Calculate cash from operation.

Statement of P & L for the year ended 31-03-2016

Particulars	Notes	Amount
(1) Revenue from operation		1,50,000
(2) Other income		
(Profit on sale of machinery 5,000		
Income tax refund 2,000)		7,000
(3) Total Revenue		1,57,000
(4) Expenses		
Cost of material consumed		88,000
Employees Benefit expense		22,000
Depreciation		8,000
Other expenses (Loss on		
Sale of equipment ₹ 4,000		
Provision for tax 2,000)		6,000
		1,24,000
Profit after tax		33,000

17. Modern Industry Ltd. issued 50,000 equity shares of ₹ 10 each at a discount of 10% payable ₹ 4 on application, ₹ 3 on allotment, and ₹ 2 on first and final call.

The issue was fully subscribed and all the money was duly received with an exemption of 400 shares held by Arun who fails to pay the first and final call money. These shares were forfeited and reissued to Kumar upon the payment of ₹ 3,000 as fully paid up.

Give Journal Entries in the books of the company.

(8)