



**Section – A**

**I. Answer any seven of the following questions each carrying two marks: 7 × 2 = 14**

1. What is depreciation?
2. Give the meaning of partnership deed?
3. How do you close revaluation account on admission of a new partner?
4. What is gain ratio? Why is it required?
5. What is realization account?
6. State any two difference between shares and debentures.
7. What is Amortisation?
8. What is trend analysis?
9. What do you mean by non-profit organisation?
10. What is data base?

**Section – B**

**II. Answer any four of the following questions each carrying five marks: 4 × 5 = 20**

11. Prajwal a partner withdrew Rs 1000 at the end of every month for the year ending 31/3/2014. Calculate Prajwals interest on drawing at 6% per annum under product method.
12. Arun & varun are partners sharing profits and losses in the ration 3:2. They admit tarun into partnership for 1/5<sup>th</sup> share which he acquires in the proportion of 2/15 & 1/15 from Arun and Varun. Calculate the new ratio.
13. Indira, Mamatha and Soumya are partners in a firm sharing profit and losses in the ratio of 5:3:2. Their balance sheet on 31/3/2013 was as follows:

Liabilities	Amount	Amount	Assets	Amount	Amount
Creditors		15,000	Bank		5,000
Bills payable		5,000	Debtors		15,000
Capital accounts:			Stock		20,000
Indira	50,000		Furniture		20,000
Mamatha	30,000		Plant and machinery		25,000
Soumya	20,000	1,00,000	Buildings		35,000
		1,20,000			1,20,000

On 1<sup>st</sup> Oct 2013, Soumya died. According to the articles of partnership, the executors of the deceased partner are entitled to claim:

- a) The capital of Soumya
- b) Salary of Rs 300 per month
- c) Interest on capital at 6% per annum
- d) Her share of goodwill. Goodwill of the firm amounted to Rs 10,000
- e) Her share of profit to the date of death, which shall be calculated on the basis of the average profits of three preceding years.

The profits for the last 3 years were: 2010-11 = Rs 14,000; 2011 -12 = Rs 15,000 and for 2012-13 = Rs 16,000

The drawings of the deceased partner upto the date of death amounted to Rs 7000.

Ascertain the amount payable to Soumya's executors.

14. The prosperous company Ltd issued 20,000 10% debentures of 100 each at a premium of 10 per debenture. The amount was payable as 20 on application, 50 on allotment including premium, 30 on first call and 10 on final call. Pass the journal entries.
15. From the following information of ABC company Ltd, prepare the comparative statement of profit and loss for the year ending 31<sup>st</sup> March 2014 and 31<sup>st</sup> March 2015.

Income statement for the year ended 31-3-2014 and 31-3-2015

Particulars	31-3-2014	31-3-2014
Revenue from operations	6,00,000	7,50,000
Other incomes	12,000	15,000
Expenses	5,06,000	4,40,000

Income Tax	40%	35%
------------	-----	-----

16. From the following information of citizens club, prepare the receipts and payments account for the year ending 31-03-2013.
- |                                  |           |
|----------------------------------|-----------|
| Cash in hand on 1-4-2012         | Rs 1,000  |
| Entrance fees received           | Rs 1,000  |
| Subscriptions received           | Rs 75,000 |
| Rent paid                        | Rs 9,000  |
| Paid for printing and stationary | Rs 5,000  |
| Newspaper and periodicals        | Rs 5,800  |
| Electricity charges              | Rs 400    |
| Furniture purchased              | Rs 10,000 |
| Sale of old newspapers           | Rs 500    |
| Life membership fees             | Rs 2,000  |
17. Explain the types of information with one example each.

### Section – C

- III. Answer any four questions, each carrying fourteen marks:  
= 56

4 × 14

18. Tata company has acquired a lease of a Cinema building for a term of 5 years by payment of Rs 4,00,000. It is proposed to depreciate the lease by annuity method, charging 5% interest per annum. Reference to the annuity table shows that the annuity for Re. 1 for 5 years at 5% is Re. 0.230975 show lease A/c and Interest A/c for 5 years.
19. M, N and O were partners sharing profits and losses in the ratio of 2:2:1. Their balance sheet as on 31.3.2014 was as under:

Liabilities	Amount	Amount	Assets	Amount	Amount
Creditors		32,000	Bank		42,500
Bills payable		28,000	Bills receivable		12,000
Reserve fund		25,000	Debtors		21,000
Capitals			Stock		14,000
M	40,000		Furniture		18,000
N	40,000		Machinery		35,000
O	20,000	1,00,000	Buildings		40,000
Outstanding		2,500	Profit and loss A/c		5,000
		1,87,500			1,87,500

N retires from the business and the following adjustments were required:-

- Buildings and stock valued at 10% more than the book value
- Machinery valued at 5% less than the book value.
- Furniture is revalued at Rs 12,400
- Outstanding expenses increased to Rs 3,050
- Goodwill of the firm is raised for Rs 30,000 and it has to be retained in the books.
- Rs 40,000 from N's capital A/c will be transferred to his loan A/c and the balance will be paid to him by cheque.

Prepare:

- Revaluation A/c
- Partners capital A/c's
- Balance sheet of the reconstituted firm.

20. Appu, Abhi and Akash were partners in a firm sharing profit and losses in the ratio of 2:1:1. Their balance sheet on the date of dissolution was as follows:

### Balance sheet as on 31.3.2014

Liabilities	Amount	Assets	Amount
Creditors	15,000	Bank	8,000
Bills payable	5,000	Debtors	20,000
Loan from Appu	5,000	Stock	25,000
Loan from Akshay	2,000	Furniture	10,000
General reserve	4,000	Machinery	15,000
P & L A/c	2,000		

Capitals:			
Appu	20,000		
Abhi	15,000		
Akash	10,000		
	78,000		78,000

- The accounts were realized as follows:  
Debtors realised at 10% less and stock realized 10% more than the book value.
- Furniture was taken over Appu at an agreed. Value of Rs 8,000
- Machinery was taken over by Abhi at Rs 12,000
- Creditors and Bills payable were paid off at a discount of 5% each.
- Cost of dissolution amounted Rs 500

Prepare: a) Realisation A/c b) Partner's capital A/c's c) Bank A/c

21. Ajith company Ltd, issues 20,000 equity shares of Rs 10 each at a discount of Rs 1 (allowed at the time of allotment]. The amount payable is as follows:

On application Rs 2  
On allotment Rs 2  
On first and final call Rs 5

Roopa holding 500 shares did not pay final call money. Her shares were forfeited. These shares are re-issued to Deepa at Rs 7 per share. Give the necessary journal entries.

22. From the following trial balance prepare financial statements of MAS trading company limited for the accounting period 31.3.2014

Sl.no	Particulars	Debit	Credit
1	Share Capital (equity shares of Rs 10 each)	-	3,00,000
2	Securities premium	-	60,000
3	General reserve	-	12,500
4	Surplus	-	35,000
5	15% debentures	-	1,25,000
6	Interest on Debentures	18,750	-
7	Trade receivables and trade payables	95,000	59,000
8	Provision for taxation	-	49,000
9	Advances received from customers		14,500
10	Data processing equipment	1,59,000	-
11	Plant and machinery	1,44,450	-
12	Patents and copyrights	1,75,000	-
13	Inventories	95,000	-
14	Cash and bank balances	37,700	-
15	Advance paid to supplier	75,000	-
16	Purchases and sales	4,50,000	8,70,000
17	Salary and wages	95,000	-
18	Contribution to PF and other funds	11,400	-
19	ESI expenses	4,500	-
20	ESI payable		2,500
21	Rent expenses	45,000	-
22	Advertisement and sales promotion expenses	55,000	-
23	Travelling expenses	39,800	-
24	Testing fee	45,900	-
25	Commission received	-	19,000
	Total	15,46,500	15,46,500

Adjustments:

- Closing inventories Rs 48,500
  - Prepaid advertisement Rs 25,000
  - Write off 1/5<sup>th</sup> of patents and copyrights and provide depreciation at 10% on data processing equipment and 15% on plant & machinery.
  - Provide for taxation at 30%
  - Directors proposed a dividend of 5%
23. The following are summarized profit and loss account for the year ended at 31<sup>st</sup> march 2012 and Balance sheet as on that date:

**Trading and profit and loss a/c for the year ending 31<sup>st</sup> March 2012.**

Particulars	Amount	Particulars	Amount
To opening stock	10,000	By sales	1,00,000
To purchases	55,000	By closing stock	15,000
To gross profit	50,000		
<b>Total</b>	<b>1,15,000</b>	<b>Total</b>	<b>1,15,000</b>
To administrative expenses	15,000	By gross profit b/d	50,000
To selling expenses	12,000		
To interest	3,000		
To Net profit	20,000		
<b>Total</b>	<b>50,000</b>	<b>Total</b>	<b>50,000</b>

**Balance sheet as on 31<sup>st</sup> March 2012**

Liabilities	Amount	Assets	Amount
Capital	1,00,000	Land & Building	50,000
Profit and loss A/c	20,000	Plant and machinery	30,000
Creditors	25,000	Furniture	20,000
Bills payable	15,000	Stock	15,000
		Sundry debtors	15,000
		Bills receivable	12,500
		Cash on hand	17,500
	1,60,000		1,60,000

You are required to calculate:

1. Stock turnover ratio
  2. Debtors turnover ratio
  3. Creditors turnover ratio
  4. Current ratio
  5. Gross profit ratio
  6. Net profit ratio
  7. Operating ratio
24. Following are the balance sheet and Receipts payments account of golden sports club, Bijapur.

**Balance sheet as on 31.03.2012**

Liabilities	Amount	Assets	Amount
Outstanding salary	7,000	Cash in hand	15,500
Pre-received subscriptions	4,000	Sports materials	31,000
Capital fund	1,50,500	Furniture	21,000
		Land and buildings	90,000
	1,61,500		1,61,500

**Receipts and Payments A/c for the year ending 31.3.2013.**

Receipts	Amount	Payments	Amounts
To balance b/d	15,500	By salary	25,000
To subscriptions	52,000	By sport materials (1-10-12)	14,000
To entrance fees	6,000	By investments	15,000
To sale of old newspaper	3,000	By postage	400
To sports fees	9,500	By electricity charges	1,600
		By up keep of grounds	6,500
		By balance c/d	23,500
	86,000		86,000

Adjustments:

- a) Outstanding subscriptions for March 2013 Rs 1,000
- b) Outstanding salary as on 31-3-2013 Rs 5,000
- c) Half of the entrance fees to be capitalized
- d) Depreciate sports material @20% per annum and furniture @ 5% per annum.

Prepare:

1. Income and expenditure A/c for the year ending 31-03-2013 and

2. Balance sheet as on that date.

**Section – D**  
**(Practical – Oriented Questions)**

**IV. Answer any two of the following question, each carrying five marks:**

**2× 5 = 10**

25. How do you treat the following in the absence of partnership deed?

- a) Interest on capital
- b) Interest on drawings
- c) Interest on loan
- d) Distribution of profits and losses
- e) Salary to partner.

26. Prepare executor's loan account with imaginary figures showing the repayment in 2 annual equal installments along with interest.

27. Classify the following into capital and revenue items.

- a) Life membership fees
- b) Sales proceeds of old tennis balls
- c) Prize amount received from a lottery
- d) Honorarium paid to the secretary
- e) Legacies received.

\*\*\*\*\*