



JAIN COLLEGE

463/465, 18th Main Road, SS Royal, 80 Feet Road, RajaRajeswari Nagar,
Bangalore - 560 098

Date: Dec- 2017

**IIPUC
MOCK- II**

SUBJECT: ACCOUNTANCY

Time: 3Hrs.

Total Marks: 100

General Instructions to the candidate

1. Candidates are required to give their answer in their own words as far as practicable.
2. Figures in the right hand margin indicate full marks.
3. While answering the candidate should adhere to the word limit as far as practical.
4. 15 minutes of extra time have been allocated for the candidate to read the question.
5. Step wise procedure has to be shown.
6. Please use pencil for drawing format.
7. Write the correct question number as it appears on the question paper.

SECTION - A

I. Answer **any seven** questions. **Each** question carries **two** marks.

7×2=14

1. What is depreciation?
2. What are the differences between fixed and fluctuating capital methods?
3. What is sacrifice ratio?
4. Mention any two models of payment on settlement to a retiring partner.
5. Give the Journal entry for Realisation Expenses paid on Dissolution of Firm.
6. What do you mean by Calls-in-arrears?
7. State any two techniques of Financial Analysis.
8. What is Common size Statement?
9. What are "Legacies"?
10. What is Real Time processing system?

SECTION - B

II. Answer **any four** questions. **Each** question carries **five** marks.

4×5=20

11. Ramesh and Suresh are partners sharing profit and losses in the ratio of 5:3. Their capitals as on 1.4.2016 were Rs. 80,000 and Rs. 60,000 respectively. They earned a profit of Rs. 48,900 as on 31.3.2017 before adjusting the following.
 - a) Interest on capital at 5% p.a.
 - b) Ramesh is allowed a salary of Rs.500 p.m for the 6 months and remaining period Rs.1000 p.m
 - c) Their drawings being Rs.5,000 and Rs.6,000 respectively. Interest on the same Rs.200 and Rs.300 respectively.

Prepare Profit and Loss Appropriation Account for the year ending 31-03-2017

12. Vajra and Vani are partners sharing profits and losses in the ratio of 3:2. They admit Rani into the partnership and offer her $\frac{1}{5}$ th share. Which she acquires in the ratio of 3:1 from the old partners. **Calculate the New Profit Sharing Ratio.**

13. Naveen , Praveen and karan were partners in a firm sharing profits and losses in the ratio of 2:2:1.They get interest on their capitals at 5% P.A. They receive salaries of Rs.500 Rs 400 and 350 respectively per month.

Their Balance sheet on 31.3.2016 is given below:

Liabilities	Rs.	Assets	Rs.
Creditors	20,000	Cash at Bank	19,000
General Reserve	2,000	Debtors	40,000
Capital		Stock	52,000
Naveen	58,000	Plant& Machinery	51,000
Praveen	50,000	Profit and loss A/C	8,000
Karan	40,000		
	1,70,000		1,70,000

Mr. Karan died on 1.10.2016. According to partnership deed the executors of the deceased partner are entitled to claim

- Capital of Mr.Karan
- Interest on capital
- Salary payable to Mr. Karan
- Share of profit up to the data of death based on the average profit two preceding years The profits were :

2014	Rs.50,000
2015	Rs.40,000
- Share of goodwill calculated on the 'basis of 2 years' purchase of the average profits of 3 proceeding years. The profit earned 2013 was 30,000.

Ascertain the amount payable to the executors of the deceased partner.

14. The Varun company Ltd issued 20,000 10% debentures of Rs 100 each at a premium of Rs 10 per debenture.

The amount was payable as under

Rs 20 on application,

Rs 50 on allotment including premium,

Rs 30 on first call and final call.

All the debentures were subscribed and money duly received.

Write the journal entries upto the stage of allotment to record the above transactions in the books of company.

15. Calculate the trend percentage from the following figures of sales, stock and profit of Ranganath Ltd. Taking 2012 as the baser year.

Year	Sales Rs.	Stock Rs.	Profit before tax Rs.
2012	1,88,100	70,900	32,100
2013	2,34,000	78,100	43,500
2014	2,65,500	81,600	45,800
2015	3,02,100	94,400	52,700
2016	3,76,800	1,15,400	62,700

16. From the following ledger balances of Sindhu Sports Club as on 1st April, 2016, ascertain opening capital fund:

Buildings: Rs 50,000, Computer Rs 25,000, Sports Materials Rs 20,000,

Investments: Rs 12,000, Outstanding Salary: Rs 1,500, Outstanding Subscriptions: Rs 2,500,

Tournament fund: Rs 10,000, Subscriptions received in advance: Rs 1,200,

Cash in hand: Rs 8,200.

17. Explain the Five qualities of information.

SECTION-C

III. Answer **any four questions**. Each question carries **fourteen** marks.

4×14=56

18. on 01-04-2010 a firm acquired a lease costing Rs.50,000/- for a term of four years.

it was proposed to depreciate it on the annuity method. Charging interest at 6%p.a with reference to the annuity table, to write off Re. 1 at 6% over a period of four years, the amount to be charged is 0.288591

Show the Lease Account and Interest Account for all four years.

19. A, B and C are Partners sharing profit and losses in the ratio of 2:3:5 respectively.

On 31-03-2016. **Their Balance sheet was under.**

Liabilities		Rs.	Assets		Rs.
Creditors		38,000	Bank		45,000
Bills Payable		35,000	Debtors	40,000	
Reserve		30,000	Less: Provision	<u>5,000</u>	35,000
Capital:			Stock		25,000
A	80,000		Furniture		28,000
B	70,000		Motor Car		20,000
C	<u>60,000</u>	2,10,000	Machinery		55,000
			Buildings		80,000
			Profit and loss Account		25,000
		313000			313000

On the above date, A retired on the following conditions:

a) Depreciation Machinery, Furniture and Motor car at 10% each.

b) Appreciate stock and Buildings by 5% each.

c) Maintain Provision for Bad debts at 20%.

d) Outstanding salaries Rs.3000.

e) Goodwill of the firm is valued at RS.40, 000 A'S share of goodwill is to be created and written off immediately.

f) Remaining partners decided to pay the A's dues by availing bank overdraft.

Prepare:

1) Revaluation A/C

2) Capital A/C of partners

3) Balance sheet of the new firm.

20. Anand, Chethan and vijay are partners sharing profits and losses in the ratio of 2:2:1. Their Balance Sheet on 31.3.2016 was as follows:

Balance Sheet as on 31 .3.2016

Liabilities	Rs.	Assets	Rs.
Creditors	15,000	Cash in hand	12,000
Anand's loan	5,000	Debtors 26,000	
Bills payable	10,000	RBDD <u>1,000</u>	25,000
Bank loan	18,000	Bills receivable	5,000
Reserve fund	12,000	Investment	18,000
Capital ;	10,000	Machinery	25,000
Anand 20,000		Furniture	15,000
Chethan 20,000		Profit & loss a/c	20,000
Vijay <u>10,000</u>			
	50,000		
	1,20,000		1,10,000

On the above date the firm was dissolved.

The assets realised as follows:

- a) Debtors Rs.24,000 ,Bill receivable Rs.,4,000, investment Rs .15,000, Machinery RS.22,000
- b) Chethan took the furniture for Rs. 10,000.
- c) Creditors and Bills payable are paid at a discount of 5%
- d) Unrecorded investment realized Rs.4, 000
- e) Dissolution expenses Rs.2, 250.

Prepare:

i) Realisation Account ii) partners Capital Account iii) Cash Account

21. The Govinda Company issued 5,000 Equity shares of Rs 100 each at a discount of 10% (allowed at the time of allotment). The net amount payable is as follows.

- On application Rs 20
- On allotment Rs 20
- On first call Rs 25
- On final call Rs 25

X holding 100 shares did not pay final call money. His shares were forfeited. These shares Were Re-issued to Y at Rs 70 per share fully paid up.

Pass the journal entries relating to issue, forfeiture and re-issue of shares in the books of company.

22. Form the following trial balance prepare Final Accounts of TVS Trading Company Ltd. as on 31-3-2016. **Prepare the financial statement in vertical form.**

SL.No	Name of the Accounts	Debit Rs.	Credit Rs.
1	Good will	1,50,000	
2	Trade Receivables	3,45,000	
3	Opening Inventories	58,000	
4	Patents	32,000	58,000
5	P&L Opening Balance		
6	Machinery	2,55,000	
7	Buildings	2,89,000	2,25,000
8	Bank Overdraft		
9	Cash and Cash Equivalent	2,25,000	1,95,000
10	Trade payables		
11	Salaries & Wages	1,75,000	
12	Freight Outward	50,000	
13	Purchase of Goods	3,25,000	
14	Rent, Rates and Taxes	63,000	
15	Interest on Bank Overdraft	16,875	
16	Power, Fuel Expenses	48,000	
17	General reserve		1,95,000
18	Share Capital (Equity Shares of Rs. 10 each)		5,00,000
19	Loans given to employees	88,125	
20	Sales		9,47,000
	Total	21,20,000	21,20,000

Adjustments:

- Closing Inventories Rs 145,000.
- Create provision for taxation at 30%.
- Transfer to General Reserve Rs 25,000.
- Directors proposed dividend of 5%.
- Provide Depreciation on Machinery at 10%, Buildings at 5% and Goodwill by 20%.
- D. D. T at 16.995% on dividend.

23. The following is the summarised Profit and Loss A/C and Balance Sheet of Manjunath Trading Company Ltd. for the year ended on 31.03.2016

Profit and Loss Account for the year ended on 31.03-2016

Dr

Cr

<i>Particulars</i>	<i>Rs</i>	<i>Particulars</i>	<i>Rs</i>
To Opening Stock	50,000	By Sales	5,00,000
To Purchases	2,50,000	By Closing Stock	75,000
To Direct Expenses	25,000		
To Gross Profit c/d	2,50,000		
	5,75,000		5,75,000
To Administrative Expenses	75,000		
To selling Expenses	60,000	BY Gross Profit b/d	2,50,000
To interest	15,000		
To Net Profit c/d	1,00,000		
Total	2,50,000	Total	2,50,000

Balance Sheet as on 31. 03. 2016

Liabilities	Rs.	Assets	Rs.
Share Capital	5,00,000	Land and Building	2,50,000
Profit & Loss A/c	1,00,000	Plant and Machinery	1,50,000
Current Liabilities	2,00,000	Furniture	1,00,000
		Stock	75,000
		Debtors	75,000
		Bills Receivables	62,500
		Cash at Bank	87,500
Total	8,00,000	Total	8,00,000

From the above information calculate.

- Gross Profit ratio
- Current ratio
- Stock Turnover ratio
- Liquidity ratio
- Operating ratio.

24. Global Sports club, Mandya was started from 1-4-2016. Its Receipts and Payments Account for the year ending 31-03-2016 was as follows :

Dr. Receipt and payment A/C for the year ending 31-03-2016		Cr.	
Receipts	Rs.	Payments	Rs.
To Tournament fund	15,000	By Salary	13,250
To Games fees	12,500	By Tournament Expenses	10,000
To Life member ship fees	40,000	By Telephone charges	3,300
To Special donations	3,00,000	By Games Expenses	12,500
To Subscriptions	35,000	By Sports materials	11,000
To Sundry income	5,750	By Building	2,45,000
		By Furniture	27,000
		By office Expenses	6,000
		By Investments	60,000
		By balance c/d	20,200
	4,08,250		4,08,250

Adjustments

- Interest earned but not received Rs.1, 200.
- Outstanding salaries Rs.1, 750.
- Special donation and life membership fees are to be capitalised.
- Sports materials on 31-03-2016 were valued at Rs.7,500.
- Depreciate Building by Rs.5,000.
- O/S Subscription rs.4,500 and Subscription received in advance rs.1,250

SECTION-D
(PRACTICAL ORIENTED QUESTIONS)

Answer **any two** questions. Each question carries **5** marks:

2 × 5 = 10

1. Prepare a Machinery account for two years with imaginary figures under Diminishing Balance Method.
2. Prepare Executor's Loan Account with imaginary figures, showing the repayment in two annual equal installments along with Interest.
3. Classify the following into Capital and Revenue items :
 - a) Honorarium paid to the secretary
 - b) Life membership fees
 - c) Locker rent paid
 - d) Subscription received from members
 - e) Library books purchased.
