



SRI BHAGAWAN MAHAVEER JAIN COLLEGE

Vishweshwarapuram, Bangalore.

Mock Exam 1 - Feb.2016

Course: II PUC

Subject: Accountancy

Max. Marks: 100

Duration: 3:15 Hrs.

Section -A

- I. **Answer any Seven questions, each question carries two marks: $7 \times 2 = 14$**
1. What do you mean by insurance policy method?
 2. Why is profit & loss appropriation account prepared by partnership firms?
 3. Goodwill of the firm valued at 2 years purchases of the average profit of last 4 years. The total profit for last 4 years was ₹ 20,000. Calculate goodwill of the firm.
 4. Give the journal entry for adjusting the retiring partner's share of goodwill when no goodwill is raised.
 5. How do you treat provision for bad debts on dissolution of a firm?
 6. What is under subscription?
 7. What are intangible assets? Give an example.
 8. What is current ratio.
 9. State any 2 differences between receipts & payments a/c & Income and expenditure a/c.
 10. Mention any two types of data processing system?

Section - B

- II. **Answer any Four of the following, each question carries five marks. $4 \times 5 = 20$**
11. Shanthi & Shruthi are partner's sharing profit & losses equally. Shanthi withdrew ₹ 750 at the beginning of every month for the year ended 31-03-2014. Calculate interest on Shanthi's drawings at 12% p.a. under average period method.
 12. Rajesh & Rakshit are partners sharing profit & loss in the ratio of 3:2. They admit Rishab as a new partner for $\frac{1}{7}$ th share. Calculate new ratio of old partners.
 13. Akilesh, Chandan & Rohith were partners sharing profits & losses in ratio of 3:2:1 Chandan died on 30th Sept 2012. It is ascertained that the Executor of Chandan is to receive ₹ 35,000 as the balance in Chandan's capital a/c. However due to insufficient cash the surviving partners decided to pay ₹ 5,000 immediately and the balance in 3 equal installments with interest of 6% p.a. Prepare Chandan's Executors a/c till the loan is repaid assuming that the accounts are closed on 31st march every year.
 14. Adwaith Co. Ltd., issued 10,000 12% debentures of ₹ 100 each payable ₹ 10 per debenture on application, ₹ 50 per debenture on allotment and ₹ 40 on call. All the debentures were subscribed and the money duly received. Give the journal entries.

15. Following is the balance sheet of North Star Ltd., as on 31st march 2012. Prepare the common size balance sheet.

Balance sheet as on 31.3.2012

Liabilities	₹	Assets	₹
Equity share capital	2,40,000	Fixed Assets	4,02,000
General Reserve	96,000	Cash	54,000
Log term loans	1,82,000	Debtors	60,000
Creditors	67,000	Inventories	84,000
Outstanding Expenses	6,000		
Other current liabilities	9,000		
	6,00,000		6,00,000

16. From the following ledger balances, prepare receipts and payments account of Sadhana Charitable Trust for the year ending 31st March 2013:
 Cash balance ₹ 5000, Subscriptions ₹ 10,000 Newspapers & journals ₹ 500, Donations received ₹ 2000, Printing & stationary ₹ 500, Rent paid ₹ 4,000, Entrance fees ₹ 3000, Furniture purchased ₹ 7000, Electricity charges ₹ 400, Salary payable ₹ 1000 & Interest due but not received ₹ 800.

17. Explain the stages of data processing cycle.

Section - C

- III. Answer any four questions, each carrying fourteen marks. 4 x 14 = 56

18. On 1-1-2010 A limited company purchased a machinery for ₹ 2,00,000. Depreciation was written off at 15% p.a. on diminishing balance method. On 01-04-2011 one fourth machinery was damaged by fire and ₹ 35,000 was received from the Insurance company in full settlement of claims. On 1-9-2012 another machinery was purchased by the company for ₹ 1,00,000. Books of accounts are closed on 31st March every year.
 Write up machinery account & depreciation a/c for 4 years.

19. Dakshit, Eshwar and Ruthvik were partners in a firm sharing profits & losses in the ratio of 2:2:1. On 31-03-2014 their balance sheet was as follows:-

Liabilities	₹	Assets	₹
Bills payable	15,500	Cash	10,000
Creditors	13,000	Debtors	10,000
Capital		Less: RBD	<u>500</u>
Dakshit	30,000	Stock	25,000
Eshwar	25,000	Motor Van	20,000
Ruthvik	15,000	Building	28,000
		Profit & Loss a/c.	6,000
	98,500		98,500

Due to old age, Eshwar retires from the business on the following terms:

- a) The new profit sharing ratio is 3:2 between Dakshit & Ruthvik.
- b) Goodwill of the firm was valued at ₹ 18,000 and it has been retained in the business.
- c) Stock is valued at ₹ 27,800, motor van is valued at 10% less than the book value & buildings are to be valued at 10% more than the book value.
- d) Maintain reserve for bad debts at 10% on debtors.
- e) The total capital of the newly constituted firm is ₹ 50,000 and the capital of Dakshit & Ruthvik were to be in their new profit sharing ratio adjustments are to be made in cash.

Prepare:- Revaluation A/c.

Partners Capital A/c.

Cash A/c.

Balance sheet of continuing partners.

20. Mohit, Naveen & Owaiz were partners in a firm sharing profits & losses in the ratio of 2:2:1. Their balance sheet on the date of dissolution was as follows.

Liabilities	₹	Assets	₹
Creditors	30,000	Cash in hand	6,000
Bills payable	20,000	Debtors	30,000
O's Loan	8,000	Stock	30,000
General Reserve	10,000	Furniture	22,000
Capitals		Machinery	20,000
Mohit	40,000	Building	50,000
Naveen	30,000		
Owaiz	20,000		
	1,58,000		1,58,000

The assets realized as follows:-

- a) Debtors realized 10% less than the book value. Stock realized 15% more than the book value. Building realized ₹ 60,000
- b) Furniture was taken over by Mohit at ₹ 20,000
- c) Machinery was taken over by Naveen at ₹ 15,000.
- d) Creditors & Bills payable were paid off at a discount of 5%
- e) Cost of dissolution amounts to ₹ 1,500

Prepare i) Realisation A/c.

ii) Partner's Capital A/c.

iii) Cash A/c.

21. 'Z' Company limited Hubli issued 5,000 shares of ₹ 100 each. The amount was payable ₹ 20 on application, ₹ 30 on allotment and ₹ 20 on first call and ₹ 30 on final call. All the shares were subscribed and the money was duly received except the final call on 500 shares. The directors forfeited these shares and reissued at ₹ 90 per share as fully paid up. Pass the journal entries.
22. From the following trial balance prepare final accounts of Akash Trading Company Limited for the accounting period 31th march 2014

Sl. No.	Particulars	Debit. (₹)	Credit (₹)
1	Share capital [Equity shares of ₹ 100 each]	-	5,00,000
2	Surplus [opening Balance]		25,000
3	Bank loan		34,900
4	General Reserve		5,000
5	Trade Receivables & trade payables	1,91,350	89,000
6	Inventories	45,000	-
7	Repairs & Maintenance	40,000	-
8	Office equipment's	1,15,500	-
9	10% Debentures	-	1,35,000
10	Free hold land	2,25,000	-
11	Dividend received on Investment	-	9,000
12	Plant & Machinery	2,45,000	-
13	Cash & Bank Balance	25,000	-
14	Consumables	35,000	-
15	Interest on Debentures & Bank Loan	18,000	-
16	Loan to Mr. Manu [Employee of a .Co]	35,000	-
17	Investments	90,000	-
18	Rent Rates & taxes	85,000	-
19	Interim Dividends [Including DDT]	29,249	-
20	Purchases & Sales	2,50,000	7,50,000
21	Staff welfare Expenses	30,000	-
22	Provision for Doubtful debts.	-	5,741
23	Salary & wages	75,000	-
24	Contribution to provident fund	34,042	-
25	PF payable	-	14,500
	Total	15,68,141	15,68,141

Adjustments:-

1. Closing Inventories ₹ 12,500
2. Out standing rent ₹ 7,500
3. Provide depreciation on plant & machinery at 10%, office equipments at 15%
4. Provide for taxation at 30%
5. Directors proposed a transfer of ₹ 25,000 to reserve & dividend of 3%.

23. Compute Gross profit ratio, Inventory turnover ratio, Debt equity ratio, Proprietary ratio, Current ratio

Particulars	₹
Paid up share capital	5,00,000
Current assets	4,00,000
Net sales	10,00,000
13% debenture	2,00,000
Current liability	2,80,000
Cost of goods sold	6,00,000
Average inventory	1,50,000

24. Following is the balance sheet & receipts & payment account of a Charitable Trust for the year ending 31-03-2013.

Balance sheet as on 31-03-2013

Liabilities	₹	Assets	₹
Capital fund	3,20,000	Building	3,00,000
Subscription received in advance	6,000	O/s debtors for Subscription	3,800
O/s expenses	14,000	O/s debtors for locker rent	2,400
Loan	50,000	Cash in hand	1,00,000
Income & Expenditure A/c.	16,200		
	4,06,200		4,06,200

Receipts & Payment A/c for the year ending 31.03-2014

Receipts	₹	Payments	₹
To Balance b/d	1,00,000	By Expenses	
To Subscriptions		2012 - 2013	12,000
2012 - 2013	2,000	2013 - 2014	20,000
2013 - 2014	21,000	By cost of lease hold land	40,000
2014 - 2015	1,500	By Investments	4,000
To entrance fees	8,000	By refreshments	20,000
To locker rent	7,000	By balance c/d.	83,500
To Income from refreshments	40,000		
	1,79,500		1,79,500

Adjustments:-

- a) Expenses due not paid ₹ 5000
- b) Subscription due but not received ₹ 1,000
- c) Salary due but not paid ₹ 2,000
- d) Depreciation on building ₹ 20,000
- e) One half of the entrance fees to be capitalized

Prepare:- i) Income & expenditure a/c for the year ending 31-03-2014

ii) Balance sheet as on that date.

Section - D

(Practical Oriented Questions)

- VI. Answer any Two question, each carries five marks. 2 x 5 = 10**
25. Prepare machinery account for two years with imaginary figures under fixed installment method.
26. Prepare current account of two partners under fixed capital system with five imaginary figures.
27. Prepare the comparative Income statement of two years with five imaginary figures.
