



SRI BHAGAWAN MAHAVEER JAIN COLLEGE

Vishweshwarapuram, Bangalore.

Mock Exam 2 - 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 x 2 = 14**
1. State any two difference between provisions & Reserves.
 2. Name the methods under which the capital accounts could be prepared in a partnership firm.
 3. Give the Journal Entry for distribution of goodwill brought in cash by the new partner.
 4. When do you prepare executors account?
 5. Why is Realization account prepared?
 6. What are calls in arrears?
 7. Mention any two items that appear under "Reserves and surplus"
 8. List any two techniques of financial statement analysis.
 9. Mention two needs for maintaining books of accounts by Non-profit organization?
 10. State any two advantages of database management system.

Section - B

- II. **Answer any Four of the following, each question carries Five marks.** **4 x 5 = 20**
11. Prakash and Ramesh were partners with capital of ₹ 50,000 & ₹ 40,000 respectively as on 01.04.2015 During the year Prakash withdrew as under:
- ₹ 2000 on 01-05-2015
 - ₹ 6000 on 31-10-2015
 - ₹ 4000 on 30-11-2015
 - ₹ 6000 on 01-01-2016
- Calculate the interest on drawings of Prakash at 12% p.a. under Product method for the accounting year 31.03.2016
12. Akash, Megha and Varsha were partners sharing profits and losses in the ratio of 4:3:2 Megha retires from partnership. The new profit sharing ratio of Akash and Varsha are 5:3 calculate the ratio in which the remaining partners gain.

13. Rama, Krishna and Govinda were partners in a firm sharing profits and losses in the ratio of their capitals. Their balance sheet as on 31-03-2015 was as follows:

Liabilities	₹	Assets	₹
Creditors	15,000	Cash at bank	20,000
Bills payable	10,000	Debtors	15,000
Reserve	15,000	Stock	20,000
<u>Capital</u>		Furniture	15,000
Rama	40,000	Investments	25,000
Krishna	30,000	Buildings	45,000
Govinda	30,000		
	1,40,000		1,40,000

Rama died on 31-12-2015. The partnership deed provides as follows:

- The deceased partner is entitled to his capitals in the last balance sheet.
 - He will be entitled to his share of reserve.
 - He will be entitled to his share of profit up to the date of his death, calculate on previous years profit. The profit for the year 2015 was ₹ 22,000
 - His share in the joint life policy. The value of joint life policy is ₹ 50,000
 - He is entitled for interest on capital at 6% and charged on drawing at 8% p.a.
 - Drawings made by Rama on 30.6.2015 amounted to ₹ 8000
- Ascertain the amount payable to the executors of Rama

14. X Co. Ltd., purchased building worth ₹ 1,50,000. Machinery worth ₹ 1,00,000, furniture worth ₹ 40,000 and goodwill ₹ 25,000 from Y Co. Ltd., for a purchase consideration of ₹ 3,00,000 X Co. Ltd., paid the purchase consideration by issuing 12% debentures of ₹ 100 each at a premium of 5% Pass the necessary Journal entries

15. From the following Balance, Prepare Comparative Balance sheet:

Particulars	31-03-2011	31-03-2012
Share capital	8,00,000	10,00,000
Reserves	1,00,000	1,20,000
Debentures	30,000	40,000
Other long term loans	20,000	10,000
Trade payable	80,000	1,00,000
Buildings	4,00,000	5,00,000
Machinery	3,00,000	4,00,000
Inventory	2,00,000	1,80,000
Trade receivables	1,00,000	1,50,000
Cash & cash equivalents	30,000	40,000

16. From the following information of a club: prepare Receipts and payments account for the year ending 31.3.2013 cash in hand on 01-01-2012 ₹ 1000. Entrance fees ₹ 1000, subscriptions Received ₹ 75000. Rent paid ₹ 9000, paid for printing and stationery ₹ 5000, newspaper and periodicals 5800 ₹ electricity charge ₹ 400, Furniture purchased ₹ 10,000, sale of old newspaper ₹ 500, life membership fees ₹ 2000
17. Explain the types of information with one example each.

Section - C

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

18. A Lease is purchased on 1st April 2008 for a term of 5 years at a cost of ₹ 50,000/- It was decided to depreciate it under the annuity method at 5% interest. Annuity table shows that at 5% ₹ 1 over 5 year is equivalent to ₹ 0.230975 annually. Show lease A/c & depreciation A/c. for 5 years ending on 31.03.2013

19. Abaya and Amogha are partners in a firm sharing profits and losses in the ratio of 3:2. The balance sheet of the firm as on 31.03.2014 is as follows:

Balance sheet as on 31.03-2014

Liabilities	₹	Assets	₹
Creditors	40,000	Buildings	50,000
Profit & Loss A/c.	10,000	Machinery	20,000
Reserves	15,000	Furniture	20,000
<u>Capitals</u>		Vehicles	10,000
Abaya	40,000	Stock	14,000
Amogha	45,000	Debtors 30,000	
		Less: RBD 2,000	28,000
		Cash	8,000
	1,50,000		1,50,000

They admit Aashika as a partner for 1/6th share as on 01-04-2014. The partners agreed to share the profit and losses of the firm in future in the ratio of 3:2:1

Adjustments:

1. Aashika to bring ₹ 50,000 as her share of capital
2. Goodwill of the firm to be valued at ₹ 30,000 and written off immediately after admission.
3. Machinery, Furniture and vehicles is to be depreciated by 10%
4. Stock is to be revalued at ₹ 20,000
5. Building to be appreciation by 20%
6. RBD is to be maintained at 10% on debtors
7. O/s legal charges amounted to ₹ 2000

Prepare necessary ledger accounts and balance sheet of the new firm.

20. Anitha, Sunitha and vinutha are partners sharing profits and losses in the ratio of 3:2:1. They agree to dissolve the firm as on 31-03-2014, on which date their balance sheet was as follows:

Balance sheet as on 31.03.2014

Liabilities	₹	Assets	₹
Creditors	60,000	Cash at Bank	30,000
Bills payable	18,000	Bills Receivable	24,000
Anitha's Loan	40,000	Stock	40,000
Reserve fund	36,000	Debtors	80,000
<u>Capitals:</u>		Motors car	20,000
Anitha	90,000	Investments	30,000
Sunitha	60,000	Furniture	26,000
Vinutha	30,000	Machinery	60,000
		P/L A/c.	24,000
	3,34,000		3,34,000

The following details are available.

1. Assets realized as follows:-
Stock ₹ 44,000, Debtors ₹ 80,000, Machinery ₹ 66000 and bills receivable ₹ 20,000
2. Furniture is taken over by Anitha at ₹ 30,000, sunitha took over Investment as ₹ 40,000, and vinutha took over motor car at ₹ 14,800
3. Creditor and Bills payable are paid off at 10% less each.
4. Realization expenses ₹ 8000.
5. One bill of ₹ 2000 under a discount was dishonoured and had to be paid by the firm.

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

21. Vijay Trading company limited with a registered capital of 50,000 share of ₹10 each issued for public 10,000 equity shares for subscription. The amount was payable as follows ₹ 2 on application, ₹ 5 on allotment including premium ₹ 3 on first call and ₹ 2 on final call.

The public have subscribed all the shares and the money duly received except the final call on 1000 shares. The directors forfeited these shares and re-issued them as fully paid at ₹ 8 per share. Pass the necessary journal entries.

22. From the following trial Balance prepare, Final A/c's of Hindustan trading company limited for the accounting period 31.03.2014

Sl. No	Particulars	Debit ₹	Credit ₹
1	Sales		21,00,000
2	Purchase of goods	2,50,000	
3	Share capital [Equity shares of ₹ 10 each]		3,00,000
4	Opening Inventories	1,25,000	
5	Salaries & wages	2,37,000	
6	Cost of Raw Materials consumed	8,50,000	
7	10% Debentures		5,00,000
8	Trade Receivables	5,50,000	
9	General Reserve		72,000
10	Rent expenses	2,15,000	
11	Staff welfare expense	85,000	
12	Commission on sales	2,10,000	
13	Interest expenses	55,000	
14	Rates & Taxes	88,000	
15	Surplus		86,000
16	Bank overdraft		15,000
17	Trade payable.		1,92,500
18	Buildings	5,00,000	
19	Depreciation on buildings	50,000	
20	Bad debts	50,500	
		32,65,500	32,65,500

Adjustments:

1. Closing inventories ₹ 1,85,000
2. Create provision for Taxation at 30%
3. Transfer to general reserve ₹ 15,000
4. Directors proposed dividend of 3%
5. Provide for outstanding rent ₹ 12,500 and further provide bad debt @ 5% on trade Receivable

23. The Balance sheet of SUN Ltd., & Moon Ltd., are given as follows:

Particulars	31-03-2012 SUN Ltd., ₹	31-03-2012 MOON Ltd., ₹
Liabilities		
Preference share capital	12,00,000	16,00,000
Equity share capital	15,00,000	40,00,000
Reserve & surplus	1,40,000	1,80,000
Long term loan	11,50,000	13,00,000
Bills payable	20,000	-
Sundry creditors	1,20,000	40,000
Outstanding expenses	1,50,000	60,000
Proposed dividend	1,00,000	9,00,000
Total	43,80,000	80,80,000
Assets:		
Land & Building	8,00,000	12,30,000
Plant & Machinery	33,40,000	60,00,000
Temporary Investment	10,000	4,00,000
Inventories	1,00,000	2,50,000
Debtors	40,000	80,000
Prepaid Expenses	10,000	20,000
Cash & Bank balance	80,000	1,00,000
Total	43,80,000	80,80,000

Prepare : common size balance sheet for two companies

24. Following are the balance sheet and receipt and payments account of golden sports club, bijapura

Balance sheet as on 31-03-2012

Liabilities	₹	Assets	₹
O/s salary	7,000	Cash in hand	15,500
Subscription received in advance	4,000	Sports materials	35,000
Capital fund.	1,50,500	Furniture	21,000
		Land and buildings	90,000
	1,61,500		1,61,500

Receipt and payments A/c for the year ending 31.3.2013

Particulars	₹	Particulars	₹
To Balance b/d	15,500	By Salary	25,000
To Subscriptions	52,000	By Sport materials	14,000
To Entrance fees	6,000	[01-10-2012]	
To Sale of old newspaper	3,000	By Investments	15,000
To Sport fees	9,500	By Postage	400
		By Electricity charges	1,600
		By Up keep of grounds	6,500
		By Balance c/d	23,500
	86,000		86,000

Adjustments:

1. Outstanding subscriptions for march 2013 amounted to ₹ 1000
2. O/s salary as on 31.3.2013 ₹ 5000
3. Half of entrance fees to be capitalized
4. Depreciate sports materials @ 20% p.a. and furniture @ 5% p.a.

Prepare : (i) Income and expenditure A/c for the year ending 31.3.2013
(ii) Balance sheet as on that date.

SECTION -D
(Practical Oriented Questions)

- IV. Answer any two questions, each carrying five marks. 2 x 5 = 10**
25. Prepare a machinery account for two year with imaginary figures under diminishing Balance method.
26. Prepare capital account of two partners under fluctuating capital system with five imaginary figures.
27. Classify the following into capital and revenue items
- a) Donations received for construction of building
 - b) Annual maintenance grant received from the government
 - c) Cost of computers purchased by a college
 - d) Legacies
 - e) Amount spent for upkeep of grounds.
