

## Accountancy - 2019

### Section A

#### I. Each question carries 1 mark.

1. Revenue Receipt
2. Partners current A/c is prepared in partnership firms when partners' capital accounts are maintained under fixed capital method.
3. Hidden Goodwill
4.  $\text{New Ratio} = \text{Old Ratio} + \text{Share Gained}$
5. Buy-back of shares means purchase of its own shares by a company
6. b) Provisions
7. c) Income statement & Balance sheet
8. False
9. Creditors, Bills Payable etc.
10. The Institute of Chartered Accountants of India.

### Section B

#### Each question carries 2 marks.

(5x2=10)

11. a- Summary of cash book b- Includes both capital & revenue items.
12. a- P & L Sharing Ratio b- Capital Contribution by Partners.
13.  $\text{Goodwill} = 40,000 / 4 \times 2 = 20,000$
14. Partners' Capital A/c Dr  
    To Realisation A/c  
    (Being assets taken over by partner)
15. Forfeiture of shares means cancellation of membership of a shareholder who fails to make payment due on his shares.
16. Financial Statements are the basic and formal annual reports through which corporate management communicates financial information to its owners and various other external parties.
17. a- Comparative Statements  
    b- Common Size Statements
18. a- Operating activities  
    b- Investing activities

### Section C

#### Each question carries 6 marks.

(4x6=24)

19. Calculation of Interest on drawings of under product method

Date	Amount	Outstanding month	product
01-06-2017	4000	10	40000
30-09-2017	10000	6	60000
30-11-2017	6000	4	24000
01-01-2018	12000	3	36000
Total Product			160,000

Interest on drawings =  $1,60,000 \times 8/100 \times 1/12 = 1,067$

20. Calculation of Ratio

Gain Ratio = New Ratio – Old Ratio

Swarna =  $1/2 - 4/9 = 1/18$

Swapna =  $1/2 - 3/9 = 3/18$

Gain Ratio = 1:3

**21. RATHNA'S CAPITAL ACCOUNT**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
To Rathna's Executor A/c	42,750	Balance b/d	30,000
		Reserves A/c	3000
		Goodwill A/c	8000
		( $40,000 \times 1/5$ )	
		Profit & Loss suspense A/c	1000
		( $20,000 \times 3/12 \times 1/5$ )	
		Interest on Capital	750
		( $30,000 \times 3/12 \times 10/100$ )	
	42,750		42,750

22.

**In the books of Vageesh Co. Ltd**

**JOURNAL ENTRIES**

<b>Sl.No.</b>	<b>Particulars</b>	<b>LF</b>	<b>Amount( Dr)</b>	<b>Amount( Cr)</b>
1	Asset A/c Dr To Vendor A/c (Being building purchased on credit)		99,000	99,000
2	Vendor A/c Dr To 11% Debentures A/c (Being 9,90 debentures of Rs.100 each issued as purchase consideration)		99,000	99,000
3	Vendor A/c Dr Discount on issue of debentures Dr To 11% Debentures allotment A/c (Being 1,100 debentures of Rs.90 each issued as purchase consideration)		99,000 11,000	1,10,000
4	Vendor A/c Dr To Securities Premium A/c To 11% Debentures A/c Dr (Being 9,00 debentures of Rs.110 each issued as purchase consideration)		99,000	9,000 90,000

23.

**In the books of \_\_**

**STATEMENT OF PROFIT OR LOSS**

**As per Schedul 3 of Co. Act 2013**

<b>Particulars</b>	<b>Note</b>	<b>31-03-17</b>
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	no.	
<b>I. Income</b>		
Revenue from operations		5,00,000
		<u>5,00,000</u>
<b>II. Expenses</b>		
Purchase of stock in trade		3,00,000
Employee benefit expenses		50,000
Other Expenses		50,000
Total Expenses		<b>4,00,000</b>
Net Profit Before		100,000
Income Tax		30,000
Net Profit After Tax		<b>70,000</b>

24. Current Ratio = Current Assets / Current Liabilities  
= 80,000 / 50,000 = 1.6 : 1

Liquid Ratio = Quick Assets / Current Liabilities  
= 50,000 / 50,000 = 1:1

**25. In the Books of Mangala Ltd.**

**Cash Flow Statement**

Particulars	Amount
Net income	500,000
Add : Non-Cash Expenses - Depreciation	- 200,000
Less: Non Cash Incomes Profit on sale of asset	 (50,000)
Cash Flow Before WC Changes	<b>650,000</b>
Add: Increase in trade payables	60,000
Less: Increase in trade receivables	(40,000)
Net Cash Flow From Operating Activities	670,000

**Section -D**

Each question carries 12 marks.

(4x12=48)

**26. INCOME AND EXPENDITURE ACCOUNT**

For the year ending 31.03.2018

Expenditure	Rs.	Income	Rs.
General expenses	900	Subscriptions	
Salary		75,000	
16,000		Add: O/s 17-18	81,400
Add: O/s 17-18	16,000	10,000	2,000
1,000	1,300	Less: O/s 16-17	7,000
Less: O/s 16-17		3,600	400
1,000	7,150	Entrance Fee	
Postage	600	Rent from hall	
Electric Charges	7,800	Sale of old news paper	
Less: Advance 17-18	<u>650</u>		
News Paper			
Meeting Expenses\	56,770		
Depreciation			

( 620 + 260 ) Surplus		
	<b>90,800</b>	<b>90,800</b>

**BALANCE SHEET AS ON 31.03.2018**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
		Furniture	28,840
		Books	18,580
		( 6200 - 620 + 13000 )	
		TV Set	16,000
		Cash in hand	15,900
		O/s Subscription	10,000
		Adv Electricity charges	650
		Building	25,000
	<b><u>1,14,970</u></b>		<b><u>1,14,970</u></b>

27.

**In the Books of  
REVALUATION ACCOUNT**

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
PBD ( 60000 x 5 % )	3000	Plant ( 120000 - 100000)	20,000
Stock	5,000	Building	15,000
Partners Capital A/c Kumar = 27000 x 2/3 .=Rs.18,000 Rajs = 27000 x 1/3 =Rs.9000	27,000	( 150000 x 10%)	
	<b><u>35,000</u></b>		<b><u>35,000</u></b>

**Partners Capital Account**

<b>Particulars</b>	<b>Kumar</b>	<b>Raj</b>	<b>Sha</b>	<b>Particulars</b>	<b>Kumar</b>	<b>Raj</b>	<b>Sha</b>
Realisation A/c	238,000	179,000	100,000	Balance b/d	180,000	150,000	100,000
				Cash			
				Goodwill	40,000	20,000	
				Revaluation	18,000	9,000	
	<b><u>238,000</u></b>	<b><u>179,000</u></b>	<b><u>100,000</u></b>		<b><u>238,000</u></b>	<b><u>179,000</u></b>	<b><u>100,000</u></b>

**Balance Sheet As on 31.03.2018**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Bills Payable	10,000	Cash in hand	1,70,000
Sundry Creditors	58,000	(10,000+100000 + 60000)	
O/s Expenses	2,000	Stock	35,000
<u>Capital Accounts</u>		Debtors	57,000
Kumar	2,38,000	Plant & Machinery	1,20,000
Rajshekhar	1,79,000	Building	1,65,000
Shamant	1,00,000	Cash at bank	40,000

	<b>5,87,000</b>		<b>5,87,000</b>
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**28. In the Books of  
REALISATION ACCOUNT**

Particulars	Rs.	Particulars	Rs.
Stock	9,000	Creditors	3,600
Furniture	3,200	Loan	2,400
Debtors	14,000	Bank A/c	
Plant and Machinery	10,400	Stock	8,400
Bank A/c		Furniture	2,780
Creditors	3,600	Rekha Capital A/c ( Plant & Machinery)	11180
Loan	<u>2,400</u>	Chetna Capital A/c ( Debtors taken over)	12,000
Bank A/c ( Expenses )	320	Partners Capital A/c	
		Rekha	555
		Chetna	185
	6000		740
	320		
			42,920
	42,920		42,920

**Partners' Capital account**

Particulars	Rekha	Chetna	Particulars	Rekha	Chetna
Realisation A/c	555	185	Balance b/d	22,000	13600
Realisation A/c	12,000	13,000			
Bank A/c	9,445	415			
	22000	13600		22000	13600

**Bank a/c**

Particulars	Rs.	Particulars	Rs.
Balance b/d	5000	Realisation A/c	6000
Realisation A/c	11180	Realisation A/c	320
		Rekha Cap A/c	9445
		Chetna Cap A/c	415
	16180		16180

**29. JOURNAL ENTRIES IN THE BOOK OF Vigneshwara**

Sl.No	Particulars	LF	Amount (Dr)	Amount (Cr)
1	Bank A/c Dr To equity share application a/c		200,000	200,000
2	Equity share application A/c Dr To Equity share Capital A/c		200,000	200,000
3	Equity share allotment A/c Dr To Equity share Capital A/c (10000 * 30) To Securities Premium A/c (10000 * 10)		400,000	300,000 100,000
4	Bank A/c Dr To Equity share allotment A/c		400,000	400,000
5	Equity share first & final A/c Dr To Equity share Capital A/c		500,000	500,000
6	Bank A/c Dr		475,000	

	To Equity share first & final A/c			475,000
7	Equity share capital A/c Dr To Forfeited shares A/c To Equity share first & final A/c		50,000	25,000 25,000
8	Bank A/c Dr Forfeited Shares A/c Dr To Equity share Capital A/c		40,000 10,000	50,000
9	Forfeited Shares A/c Dr (25000 - 10000) To Capital Reserve A/c		15,000	15,000

### 30. In the Books of

Sl.No	Particulars	LF	Amount (Dr)	Amount (Cr)
1	Bank A/c Dr To Debenture App. All. A/c		200,000	200,000
2	Debenture App. All. A/c Dr To 12% Debentures A/c		200,000	200,000
3	Bank A/c Dr To Debenture App. All. A/c		210,000	
4	Debenture App. All. A/c Dr To Securities Premium A/c To 12% Debentures A/c		210,000	10,000 200,000
5	Bank A/c Dr To Debenture App. All. A/c		190,000	
6	Debenture App. All. A/c Dr Discount on issue of debentures A/c To 12% Debentures A/c		1,90,000 10,000	2,00,000
7	Bank A/c Dr To Debenture App. All. A/c		2,00,000	2,00,000
8	Debenture App. All. A/c Dr Loss on issue of debentures A/c Dr To 12% Debentures A/c		200,000 10,000	210,000

### 31. In the Books of Honda Co.

#### COMPARATIVE BALANCE SHEET As on 31.03.17 & 31.03.18

Particulars	31.3.17	31.3.18	Difference	Difference(%)
<b>I. Equity and Liabilities</b>				
<b>1. Shareholders' Funds</b>				
a) Share capital	4,00,000	5,00,000	1,00,000	25
b) Reserves and Surplus				
General Reserve	50000	60,000	10,000	20
<b>2. Non-Current Liabilities</b>				
a) Long term loan				
Secured loan	15,000	20,000	5,000	33.33
<b>3. Current Liabilities</b>				
a) Trade Payables	40,000	50,000	10,000	25
b) Other current liabilities	10,000	5,000	(5000)	-50
<b>Total</b>	<b>5,15,000</b>	<b>6,35,000</b>	<b>1,20,000</b>	<b>23.30</b>

<b>II. Assets :</b>				
<b>1. Non-Current Assets</b>				
a) Fixed Assets				
i) Tangible Assets				
Buildings	2,00,000	2,50,000	50,000	25
Machinery ( Building + Plant )	1,50,000	2,00,000	50,000	33.33
<b>2. Current Assets</b>				
a) Inventory	1,00,000	90,000	(10,000)	-10
b) Trade receivables	50,000	75,000	25,000	50
c) Cash & Cash equivalent				
Cash at bank	15,000	20,000	5,000	33.33
<b>Total</b>	<b>5,15,000</b>	<b>6,35,000</b>	<b>1,20,000</b>	<b>23.30</b>

### 32. Calculation of Ratios

- **Stock Turnover Ratio**

$$= \frac{\text{Cost of goods sold}}{\text{Average Inventory}}$$

$$= \frac{800,000}{100,000} = 8 \text{ Times}$$

- **Trade Receivable turnover ratio**

$$= \frac{\text{Net credit sales}}{\text{Average Trade Receivables}}$$

$$= \frac{600,000}{150,000} = 4 \text{ Times}$$

- **Trade Payable turnover ratio**

$$= \frac{\text{Net credit purchases}}{\text{Average Trade Payables}}$$

$$= \frac{500,000}{250,000} = 2 \text{ Times}$$

- **Gross Profit Ratio**

$$= \frac{\text{Gross Profit}}{\text{Revenue from operations}} \times 100$$

$$= \frac{200,000}{1,000,000} \times 100$$

$$= 20\%$$

- **Operating Ratio**

$$= \frac{\text{Operating Cost}}{\text{Revenue from operations}} \times 100$$

$$= \frac{900,000}{10,00,000} \times 100 = 90\%$$

- **Net profit ratio**

$$= \frac{\text{Net Profit}}{\text{Revenue from operations}} \times 100$$

$$= \frac{100000}{1,000,000} \times 100$$

### Section –E

#### Project oriented questions

Each question carries 5 marks

33. Dr

#### Partners' Capital Accounts

Cr

Particulars	A(Rs)	B(Rs)	Particulars	A(Rs)	B(Rs)
To Drawings	4,500	4,500	By Balance B/d	50,000	50,000
To Int.on Drawings	500	500	By Int. on capital	5,000	5,000
To Balance C/d(B.F)	60,000	60,000	By Salary	10,000	10,000
	<b>65,000</b>	<b>65,000</b>		<b>65,000</b>	<b>65,000</b>
			By Balance B/d	60,000	60,000

34.

#### A'S Executors Loan A/c

Date	Particulars	Rs	Date	Particulars	Rs
31.03.17	To Cash A/c (10,000+2,000)	12,000	01.04.16	By A's Capital A/c	20,000
31.03.17	To Balance C/d (BF)		31.03.17	By Interest A/c (20,000x10/100)	2,000
		22,000			22,000
31.03.18	To Cash A/c (10,000+1,000)	11,000	01.04.17	By Balance B/d	10,000
			31.03.18	By Interest A/c (10,000x10/100)	1,000
		11,000			11,000

35. a) Shareholders Fund.  
 b) Non-Current Liabilities  
 c) Current Liabilities.  
 d) Non-Current Assets.  
 e) Current Assets.