



BOARD QUESTION PAPER : OCTOBER 2014

Time: 3 Hours

Max. Marks: 80

- Q. 1. Attempt any THREE of the following sub-questions:** [15]
- (A) Answer the following in 'one' sentence each:** (5)
- (1) What is 'balance sheet'?
 - (2) What is 'deficit'?
 - (3) What is 'sacrifice ratio'?
 - (4) What is 'allotment of shares'?
 - (5) Who is a 'drawer'?
- (B) Write a word/term/phrase which can substitute each of the following statements:** (5)
- (1) Debit balance on realisation account.
 - (2) The three extra days which are allowed over and above the period of the bill.
 - (3) Expenses which are due but not paid at the end of the year.
 - (4) A statement similar to a balance sheet.
 - (5) An asset which can be converted into cash immediately.
- (C) Select the most appropriate answer from the alternatives given below and rewrite the sentences:** (5)
- (1) The profit or loss from revaluation on retirement of partners is shared by _____.
 (A) all the partners (B) the remaining partners
 (C) only the retiring partners (D) none of these
 - (2) Purchase of stationery is a _____ expenditure.
 (A) capital (B) revenue
 (C) long term (D) deferred revenue
 - (3) _____ means payment of the bill before due date.
 (A) Discounting of bill (B) Retirement of bill
 (C) Renewal of bill (D) Endorsement of bill
 - (4) Generally, incomplete records are maintained by the _____.
 (A) trader (B) company
 (C) society (D) government
 - (5) The interest on drawings is transferred to _____ side of the profit and loss account.
 (A) debit (B) credit
 (C) asset (D) liability
- (D) State whether the following statements are TRUE or FALSE:** (5)
- (1) The debenture holder is the owner of the company.
 - (2) A person, to whom or as per his order amount of bill is payable, is a payee.
 - (3) Government is not interested in the analysis of financial statement.
 - (4) On its dissolution, the cash or bank account is closed automatically.
 - (5) A bill can't be deposited into a bank for collection.
- (E) Prepare a specimen of a Bill of Exchange from the following information:** (5)
- (1) Drawer – Rahul Chaudhari
105, Ghodbunder Road,
Thane.
 - (2) Drawee – Prakash Patil
207, Ganga Road,
Nasik.



- (3) Payee – Sonal Chaudhari
M. G. Road
Dhule.
- (4) Period of bill – 60 days
- (5) Amount of bill – ₹ 10,000
- (6) Date of bill – 15th Dec, 2013
- (7) Date of acceptance – 18th Dec, 2014

Q. 2. Mrs. Asha keeps her books on Single Entry System and gives the following information:

[8]

Particulars	31.03.2011 (₹)	31.03.2012 (₹)
Cash at Bank	10,000	64,000
Sundry Debtors	50,000	80,000
Stock in Trade	60,000	1,00,000
Furniture	40,000	40,000
Machinery	1,00,000	1,00,000
Bills Payable	10,000	10,000
Sundry Creditors	30,000	40,000

Mrs. Asha withdrew from business ₹ 30,000 for personal use. She further introduced fresh capital of ₹ 50,000.

Depreciation is to be charged @ 10% p.a. on furniture and machinery.

Prepare:

- (1) Statement of Affairs as on 31.03.2011.
- (2) Statement of Affairs as on 31.03.2012.
- (3) Statement of Profit or Loss for the year ending 31.03.2012.

OR

- (A) What are the investing activities of cash flow? (4)
- (B) State the limitations of analysis of financial statements. (4)

Q. 3. Anil and Sunil were partners sharing profits and losses in the ratio of 2 : 1 respectively. Their Balance Sheet was as follows:

[10]

Balance Sheet as on 31st Mar, 2010

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c's		Cash at Bank	4,000
Anil	24,000	Debtors	15,000
Sunil	16,000	Stock	23,500
Trade Creditors	26,000	Furniture	5,000
Anil's Loan A/c	6,500	Building	25,000
	72,500		72,500

On 1st Apr, 2010, Ram is admitted in the partnership on the following terms:

- (1) Ram should bring in cash of ₹ 12,000 as capital for 1/5th share in future profit.
- (2) Goodwill A/c be raised in the books of the firm for ₹ 4,500.
- (3) Building is revalued at ₹ 28,000 and the value of stock be reduced by ₹ 1,500.
- (4) Reserve for doubtful debts be provided at 5% on debtors.

Prepare:

- (i) Profit and Loss Adjustment Account.
- (ii) Capital accounts of partners.
- (iii) Balance Sheet of the new firm.



OR

Supriya, Surekha and Sujata were partners sharing Profits and Losses in the ratio of 2 : 2 : 1 respectively. Their Balance Sheet as on 31st Mar, 2012 was as follows:

Balance Sheet as on 31st Mar, 2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c's:		Land and Building	50,000
<i>Supriya</i>	40,000	Stock	30,000
<i>Surekha</i>	40,000	Debtors	37,500
<i>Sujata</i>	20,000	<i>Less: R.D.D.</i>	2,500
Reserve Fund	10,000	Furniture	10,000
Creditors	16,000	Cash at Bank	5,000
Outstanding Expenses	4,000		
	1,30,000		1,30,000

Sujata died on 1st Jul, 2012 and the adjustments were agreed to as per the deed as follows:

- (1) Land and building to be valued at ₹ 60,000 and all debtors were good.
 - (2) Stock be depreciated by 10%.
 - (3) The drawings of Sujata upto the date of her death amounted to ₹ 2,000.
 - (4) Interest on capital was to be allowed at 10% p.a.
 - (5) The deceased partner's share of goodwill is to be valued at 2 years purchase of average profit of last 3 years.
The profits were: 2009-10 = ₹ 15,000; 2010-11 = ₹ 17,000; 2011-12 = ₹ 13,000
 - (6) The deceased partner's share of profit upto the date of her death should be based on average profit of the last two years.
- You are required to prepare –
- (a) Profit and Loss Adjustment Account.
 - (b) Sujata's Capital Account showing the balance payable to her Executor's Loan Account.
 - (c) Working notes for calculation of (a) Goodwill and (b) Profit till the date of Sujata's death.

- Q. 4. On 14th May, 2012, Rohit sold goods on credit to Devidas for ₹ 30,000 [10]
On the same date, Rohit draws a bill on Devidas for ₹ 30,000 at 4 months. Devidas accepted it and returned to Rohit.
On 17th Jun, 2012, Rohit discounted the bill with his bank @ 10% p.a.
On due date, Devidas finds himself unable to make payment of the bill and requests Rohit to renew it. Rohit accepted the proposal on the condition that Devidas should pay ₹ 10,000 on account along with interest ₹ 500 in cash and should accept a new bill for the balance at 2 months.
These arrangements were carried through.
Give Journal Entries in the books of Rohit.

- Q. 5. Uday and Prabhakar are partners sharing profits and losses in the proportion of 3/5th and 2/5th respectively. They dissolved their partnership firm of 31st Mar, 2012 when their financial position was as under: [10]

Balance Sheet as on 31st Mar, 2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	15,000	Cash at Bank	3,000
Uday's wife's Loan	30,000	Debtors	67,500
Capital A/c's:		<i>Less: R.D.D.</i>	7,500
<i>Uday</i>	1,38,000	Stock	1,35,000
<i>Prabhakar</i>	90,000	Machinery	45,000
		Furniture	30,000
	2,73,000		2,73,000



The assets were realised as under:

Goodwill ₹ 15,000; Stock ₹ 1,20,000 and Debtors ₹ 54,000.

Machinery was taken over by Prabhakar at ₹ 40,000 and Furniture by Uday at book value.

Uday agreed to discharge his wife's loan.

The creditors were paid at a rebate of ₹ 3,000.

The expenses of dissolution amounted to ₹ 6,000.

Pass necessary Journal Entries in the books of the firm.

OR

Milind and Co. Ltd. issued 20,000 equity shares of ₹ 100 each payable as under:

On Application ₹ 20 per share.

On Allotment ₹ 35 per share.

On First Call ₹ 25 per share.

On Second Call ₹ 20 per share.

The company received applications for 30,000 equity shares. Applications for 20,000 shares were accepted and allotted. Applications for 10,000 shares were rejected and refunded in full. The money due on allotment and both the calls was received in full. The expenses of issue amounted to ₹ 5,000.

Pass necessary Journal Entries in the books of the company.

- Q.6. From the following Balance Sheet and Receipts and Payments Account of Vidya Mandir High School, Alibag, prepare Income and Expenditure Account for the year ended 31st Mar, 2008 and Balance Sheet as on that date.

[12]

Balance Sheet as on 1st Apr, 2007

Liabilities	Amount (₹)	Assets	Amount (₹)
Entrance Fees	6,000	Furniture	16,800
Capital Fund	1,03,800	Laboratory	20,000
		Library	25,000
		Investment	40,000
		Cash in Hand	1,000
		Cash at Bank	3,000
		Outstanding: Tuition Fees	4,000
	1,09,800		1,09,800

Receipts and Payment Account for the year ended 31st Mar, 2008

Dr.		Cr.	
Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Furniture Purchased	5,400
Cash in Hand	1,000	By Salaries	60,000
Cash at Bank	3,000	By Rent	28,000
To Tuition Fees	80,000	By Sundry Expenses	15,200
To Term Fees	26,200	By Annual Gathering Expenses	11,300
To Government Grant	16,000	By Insurance	4,000
To Donation of Library	30,000	By Closing Balance:	
To Interest on Investment	2,000	Cash at Bank	34,300
	1,58,200		1,58,200



Adjustments:

- (1) Tuition fees still receivable are ₹ 10,000.
- (2) Salaries still payable are ₹ 30,000.
- (3) Insurance premium is paid for one year ending 30.09.2008.
- (4) Rent paid in advance ₹ 4,000.
- (5) Depreciate furniture and library at 10%. Depreciation to be charged on the closing balances of the assets.

Q.7. Jitesh and Lailesh are in partnership sharing profits and losses in the ratio of 2 : 1. From the following Trial Balance and adjustments given below, you are required to prepare Trading and Profit and Loss A/c for the year ended 31st Mar, 2013 and the Balance Sheet as on that date:

[15]

Trial Balance as on 31st Mar, 2013

Particulars	Debit (₹)	Credit (₹)
Prepaid Insurance	800	—
Insurance	2,000	—
R.B.D.D.	—	1,000
Discount	800	—
Postage and Telephone	3,200	—
Salaries	56,000	—
Debtors and Creditors	66,000	68,000
Wages	24,000	—
Opening Stock	48,000	—
Carriage	1,000	—
Purchases and Sales	1,93,200	3,01,600
Return Inwards and Outwards	5,600	9,200
Bank Overdraft	—	1,20,800
Plant and Machinery	24,000	—
Land and Building	1,76,000	—
Capital:		
<i>Jitesh</i>	—	52,000
<i>Lailesh</i>	—	48,000
Total:	6,00,600	6,00,600

Adjustments:

- (1) Write off ₹ 2,000 for bad debts and provide R.B.D.D. 5% on debtors.
- (2) Goods worth ₹ 4,000 were distributed as free samples.
- (3) Closing stock on 31.03.2013 was valued at the cost of ₹ 56,000 while its market price was ₹ 60,000.
- (4) Salaries were outstanding ₹ 2,000.
- (5) Depreciate:
Land and Building @ 5% p.a. and Plant and Machinery @ 10% p.a.