

**BOARD QUESTION PAPER : JULY 2017**

Time: 3 Hours

Max. Marks: 80

- Q.1. Attempt any THREE of the following sub-questions: [15]**
- (A) Answer the following questions in only 'one' sentence each: (5)**
- (1) What is 'Capital Fund'?
 - (2) What is 'Equity Share'?
 - (3) What are 'noting charges'?
 - (4) What is 'analysis' of financial statement?
 - (5) When is the bill is said to be 'honoured'?
- (B) Write a word/term/phrase which can substitute for each of the following statements: (5)**
- (1) Expenses which are paid before due.
 - (2) Account which is credited when goodwill is withdrawn by old partners.
 - (3) Expenses incurred on dissolution of a partnership firm.
 - (4) A person to whom the bill is endorsed.
 - (5) The ratio measuring the relationship between gross profit and net sales.
- (C) Select the most appropriate alternative from those given below and rewrite the statements: (5)**
- (1) Return outward are deducted from _____.
(A) purchases (B) sales
(C) capital (D) debtors
 - (2) _____ is a major source of revenue income for 'not for profit' concern.
(A) Subscription (B) Donation
(C) Legacies (D) Life membership fees
 - (3) Assets and Liabilities are transferred to Realisation Account at their _____ values.
(A) market (B) purchase
(C) sale (D) book
 - (4) A person on whom a bill of exchange is drawn is called as _____.
(A) drawer (B) drawee
(C) payee (D) endorsee
 - (5) If closing capital is greater than opening capital it shows _____.
(A) gross profit (B) net profit
(C) gross loss (D) net loss
- (D) State whether the following statements are True or False: (5)**
- (1) All direct expenses are debited to trading account.
 - (2) When goodwill is paid privately, no entry in the books of account is required.
 - (3) On dissolution, cash or bank account is closed automatically.
 - (4) Noting charges are payable to the notary public on honour of a bill.
 - (5) Single entry system is based on certain rules and principles.
- (E) Prepare a format of Bill of Exchange from the following information: (5)**
- (1) Drawer – Abhilash Patil,
M.G. Road,
Kokarda.
 - (2) Drawee – Bhargav Mishra,
140, Civil Lines,
Nagpur.



- (3) Payee – Gopal Deshpande,
Ambajogai,
(4) Amount of bill – ₹ 21,500
(5) Period of bill – 3 months
(6) Date of bill – 23th August, 2013
(7) Date of acceptance – 25th August, 2013
(8) Accepted for – ₹ 20,000 only

Q.2. Mr. Govind keeps his books on single entry system and disclosed the following information of his business: [8]

Particulars	01.04.2012 Amount (₹)	31.03.2013 Amount (₹)
Investments	-	30,000
Bills Payable	-	18,000
Creditors	52,500	69,000
Furniture	15,000	15,000
Debtors	60,000	90,000
Stock in Trade	30,000	37,500
Cash at Bank	36,000	54,000

Additional information:

- Mr. Govind transferred ₹ 300 per month during first half year and ₹ 200 each month for the remaining period from his business to his personal account. He also took goods of ₹ 700 for private use.
- Mr. Govind sold his personal assets for ₹ 7,000 and brought the proceeds into his business.
- Furniture is to be depreciated by 10%.
- Provide R.D.D. at 5% on debtors.

Prepare:

Opening and Closing statement of affairs and statement of Profit or Loss for the year ended 31st March, 2013.

OR

- Explain the operating activities on cash flow. (4)
- Explain the Return on Investment (ROI). (4)

Q.3. Ganga, Yamuna are partners sharing profits and losses 3:2 respectively. Their position on 31.03.2013: [10]

Balance Sheet as on 31.03.2013

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital :		Building	1,00,000
Ganga	1,00,000	Furniture	10,000
Yamuna	75,000	Stock	31,000
Creditors	10,000	Debtors	50,000
Bills Payable	5,000	Less: R.D.D.	(1,000)
General Reserve	15,000	Bank	15,000
	2,05,000		2,05,000

On 1st April, 2013, they admitted Saraswati on the following terms:

- Saraswati should bring in cash ₹ 1,00,000 as capital for 1/5 share in future profit and ₹ 25,000, as goodwill.



- (2) Building should be revalued for ₹ 1,25,000.
- (3) Depreciate furniture at 12½% p.a. and stock at 10% p.a.
- (4) R.D.D. should be maintained as it is.
- (5) The capital accounts of partners should be adjusted in their new profit sharing ratio through bank account.

Prepare:

- (1) Profit and loss adjustment account
- (2) Capital Account
- (3) Balance Sheet of new firm

OR

Shanti, Samadhan and Sangharsh were sharing profits and losses in the ratio of 7:5:4. Their balance sheet as on 31.03.2013 was as follows:

Balance Sheet as on 31.03.2013

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital		Furniture	17,000
<i>Shanti</i>	23,000	Machinery	18,000
<i>Samadhan</i>	15,000	Building	16,000
<i>Sangharsh</i>	12,000	Cash	37,000
Bills Payable	4,000		
Creditors	8,000		
Loan	10,000		
General Reserve	16,000		
	88,000		88,000

Sangharsh died on 30th June, 2013, and the following adjustments were agreed as per deed:

- (1) Furniture, Machinery and Building are to be revalued at ₹ 16,700, ₹ 16,200, ₹ 30,100 respectively.
- (2) Sangharsh's share in goodwill is to be valued from firm's goodwill which was valued at two times of the average profit of last three years.
Profit of the last three years = ₹ 30,000, ₹ 25,000, ₹ 20,000.
- (3) His profit up to the date of death is to be calculated on the basis of profit of last year.
- (4) Sangharsh was entitled to get a salary of ₹ 800 per month.
- (5) Interest on capital at 10% to be allowed.
- (6) Sangharsh's drawings up to the date of death was ₹ 600 per month.

Prepare :

- (i) Sangharsh's capital account showing amount payable to his executor.
- (ii) Give working notes for share of goodwill and profit.

Q.4. Apate draws a bill on Mapate for ₹ 8,000 at 3 months. [10]

Mapate accepted the same and sent to Apate.

Apate sent the same bill to his bank for collection.

On due date Mapate found himself unable to make payment of the bill, and requested Apate to renew it.

Apate agreed on condition that Mapate should pay ₹ 2000, and interest ₹ 200 on the remaining balance in cash and accept a fresh bill for the balance for two months.

These agreements were carried through. On due date of new bill it was duly honoured.

Pass journal entries and Mapate's account in the books of Apate (ignore narrations).



- Q.5. Umesh and Prakash were partners sharing profits and losses in the proportion of 3/5 and 2/5 respectively. They dissolved their partnership firm on 31st March, 2013, when their financial position was as under:

[10]

Balance Sheet as on 31st March, 2013

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	7,500	Cash at Bank	1,500
Umesh's wife's loan	15,000	Debtors	33,750
Capital Accounts		Less: R.D.D.	- 3,750
Umesh	69,000	Stock	67,500
Prakash	45,000	Machinery	22,500
		Furniture	15,000
	1,36,500		1,36,500

- (1) The assets realised as under:
Goodwill ₹ 7,500, Stock ₹ 60,000, Debtors ₹ 27,000.
- (2) Machinery was taken over by Prakash at ₹ 20,000 and furniture by Umesh at book value.
- (3) Umesh agreed to discharge his wife's loan.
- (4) The creditors were paid at a rebate of ₹ 1,500.
- (5) The expenses of dissolution amounted to ₹ 3,000. Pass necessary journal entries in the books of the firm.

OR

Mahalaxmi Industries Ltd. Kudnur issued 15,000 equity shares of ₹ 100 each. They were payable as follow :

On application	₹ 20
On allotment	₹ 30
On first call	₹ 25
On second call	₹ 25

The company received application for 12,000 shares.

All the applications were accepted and shares were allotted. The company made both the calls.

One shareholder holding 400 shares failed to pay the final call. His shares were forfeited.

Pass journal entries in the books of Mahalaxmi Industries Ltd., Kudnur.

- Q. 6. From the following Balance Sheet and Receipts and Payments Account of Ekveera Hospital Amravati :

[12]

Balance Sheet As on 01.04.2012

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital fund	5,02,000	Cash in hand	3,000
Medicines bill unpaid	3,000	Cash at Bank	6,000
		Land and Building	4,00,000
		Furniture	35,000
		Equipments	60,000
		Outstanding Subscription	1,000
	5,05,000		5,05,000

**Receipts and Payments Account for the year ended 31.03.2013**

Dr.			Cr.
Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Salaries	55,000
<i>Cash in hand</i>	3,000	By Medicines	26,000
<i>Cash at bank</i>	6,000	By Equipment	
To Subscription	65,000	<i>Purchased</i>	10,000
(includes ₹ 1,000		By General expenses	4,300
received for last		By Balance c/d.	
year)		<i>Cash in hand</i>	7,700
To Sale of furniture	10,000	<i>Cash at Bank</i>	15,500
(book value ₹ 15,000)			
To Donation (revenue)	22,000		
To Life membership fees	12,500		
	1,18,500		1,18,500

Adjustments:

- (1) Outstanding subscription ₹ 6,000.
- (2) Capitalise the amount of life membership fees.
- (3) Outstanding salary ₹ 6,000.
- (4) Depreciate Land and Building by ₹ 10,000 and Equipments by ₹ 15,000.
- (5) Unpaid medicine bill on 1.4.2012 is still unpaid.

Prepare Income and Expenditure account for the year ending 31.03.2013 and Balance Sheet as on that date.

- Q.7. From the following Trial Balance of M/s Vishal and Vaibhav you are required to prepare Trading and Profit and Loss account for the year ended 31st March, 2013 and Balance Sheet as on that date after taking into consideration the adjustments given below:

[15]

Trial Balance as on 31.03.2013

Debit Balance	Amount (₹)	Credit Balance	Amount (₹)
Salary and Wages	17,000	Sales	1,10,000
Postage and Telegram	1,750	Sundry Creditors	72,700
Opening Stock	23,500	Bills Payable	40,000
Plant and Machinery	70,000	10% Bank loan	
Import duty	3,100	<i>(Taken on 1st</i>	
Purchases	98,500	<i>October 2012)</i>	60,000
Sundry Debtors	45,800	Outstanding Audit Fees	5,900
Bills Receivable	16,700	Capital Accounts	
Carriage Outward	1,800	<i>Vishal</i>	45,000
Wages and Salary	14,000	<i>Vaibhav</i>	45,000
Printing and Stationery	4,600		
Cash in hand	1,850		
Lease hold premises	80,000		
	3,78,600		3,78,600

Adjustments :

- (1) Closing stock was valued at ₹ 30,000.
- (2) Postal stamps of ₹ 250 and stationery of ₹ 400 are unused.
- (3) Lease hold property is to be run for 10 years w.e.f. 1st October 2012.
- (4) Depreciate Plant and Machinery at 10% p.a.
- (5) Mr. Rajan, our customer, became insolvent and could not pay his debts of ₹ 1,500.