Date : 03-Dec-22

+2 Acc Model Hly Exam 22

12th Standard

Accountancy

Reg.No. :

Use Blue Ink Only

Exam Time : 03:00:00 Hrs

Total Marks 90

Part A Multiple Choice Question

15 x 1 = 15

1) Incomplete records are generally main a ned by
(a) A company (b) Government (c) Small sized sole trader business (d) Multinational enter rises

2) The amount of credit sales an be omputed from
(a) Total debtors account (b) Total creditors account (c) Bills receivable account (d) Bills payable account

3) Receipts and payments account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account

4) Income and expenditure account is a
(a) Nominal A/c (b) Real A/c (c) Personal A/c (d) Representative personal account

5) In the absence of a partnership deed, profits of the firm will be shared by the partners in
(a) Equ l atio (b) Capital ratio (c) Both (a) and (b) (d) None of these

6 When a partner withdraws regularly a fixed sum of money at the midd e of every month, period for which int rest is to be calculated on the drawings on an average is
(a) 5.5 months (b) 6 months (c) 12 months (d) 6.5 months

7) Which of the following statements is true?
(a) Goodwill is an intangible asset (b) Goodwill is a current asset (c) Goodwill is a fictitious sset
(d) Goodwill cannot be acquired

8) Identify the incorrect pair
(a) Goodwill under Average profit method - Average profit × Number of years of purchase
(b) Goodwill under Super profit method - Super profit × Number of years of purchase
(c) Goodwill under Annuity method - Average profit × Present value annuity factor
(d) Goodwill under Weighted average profit method - Weighted average profit × Number of years of purchase

9) Revaluation A/c is a
(a) Real A/c (b) Nominal A/c (c) Personal A/c (d) Impersonal A/c

10) Balaji and Kamalesh are partners sharing profits and losses in the ratio of 2 1. T ey admit Yogesh into partnership. The new profit sharing ratio between Balaji, Kamalesh and Yogesh is agreed to 3:1:1. Find he sac ificing ratio between Balaji and Kamalesh.
(a) 1:3 (b) 3:1 (c) 2:1 (d) 1:2

11) A partner retires from the partnership firm on 30th June. He is liable fo all h acts of the firm up to the
(a) End of the current accounting period (b) End of the previous accounting period (c) Date of his retirement
(d) Date of his final settlement

12) A preference share is one
(i) which carries preferential right with respect to payment of di idend at ixed rate
(ii) which carries preferential right with respect to repayment of capital on winding up
(a) Only (i) is correct (b) Only (ii) is correct (c) Both (i) and (ii are correct (d) Both (i) and (ii) are incorrect

13) Which of the following statements is not true?
(a) Notes and schedules also form part of financial statements
(b) The tools of financial statement analysis include comm n-s ze statement
(c) Trend analysis refers to the study of movemen of figures for one year
(d) The ommon–size statements show the relat onshi of various items with somecommon base, expressed as percentage of the common base

14) The mathematical expression that provides a measure f the re ationship between two figures is called
(a) Conclusion (b) Ratio (c) Model (d) Decisi n

15) Accounting report prepared according to the req rements of the user is
(a) Routine accounting report (b) Sp cial u p se report (c) Trial balance (d) Balance sheet

Part A Assertion and reason

1 x 1 = 1

16) Assertion (A) : Computerised Accounting System refers to the system of maintaining accounts using computers.
Reason (R) : It involves the processing of accounting transactions through the use of computer in order to maintain and produce accounting records and reports.
(a) Both (A) and (R) are true and (R) is the correct explanation of (A).
(b) Both (A) and (R) are true and (R) s not the correct explanation of (A).
(c) (A) is true, but (R) is false.
(d) (A is false, but (R) is true

Part A Odd one out

1 x 1 = 1

17) (a) Liquidity ratio
(b) Turnover ratios
(c) Sacrificing ratio
(d) Profitability ratios

Part A Correct Statement

1 x 1 = 1

18) (i) Company is an artificial person
(ii) A company may have a ommon seal which can be affixed on the documents.
(iii)The shares of a company are freely transferable except incase of a private company
(a) (i) is correct
(b) (ii) is correct
(c) (I) and (ii) are correct
(d) (i), (ii) and (iii) are correct

Part A Find out the wrong pair

1 x 1 = 1

19)

(a)	Journal voucher	Depreciation
(b)	Sales voucher	Cash and credit sales of goods
(c)	Purchase voucher	Cash and credit purchases
(d)	Contra voucher	Only receipt items

Part A Choose the correct pair

1 x 1 = 1

20) Which one of the Following is Correctly Matched?

(a)	Adjusted c osing capital	=	Closing capital - Drawings - Additional capital
(b)	Profit/Loss	=	Closing capital + Drawings - Additional Capital - Opening capital
(c)	Capital	=	Assets + Liabilities
(d)	Closing capital	=	Opening capital + Drawings

Part B Answer Any Seven Questions and Question Number 30 is Compulsory 7 x 2 = 4

21) From the following particulars, prepare bills recei able account and compute the bills received from the debtors

Particulars	Rs
Opening bills receivable	20,000
Closing bills receivable	30,000
Cash received for bills rece v ble	60,000
Bills receivable dishonoured	5,000

22) From the following details calculate the amount that will be shown as subscription in Income and Expenditure Account for the year ending 31st March, 2017.

Subscription received for	Rs.
2015-16	7,500
2016-17	60,000
2017-18	1,500
	69,000

Subscription outstanding for the year 2016-17 is Rs. 2,400. Subscription for 2016-17 received in 2015 16 was Rs.1,000

23) Priya and Kavitha are partners. Priya draws Rs. 4,000 at the end of each quarter. Interest on draw ngs is hargeable at 6% p.a. Calculate interest on drawings for the year ending 31st December 2018 using average period.

24) For the purpose of admitting a new partner, a firm has decided to value its goodwill at 3 years pur hase of the average profit of the last 4 years using weighted average method. Profits of the past 4 years and the respective g as follows:

Particulars	2015	2016	2017	2018
Profit (Rs.)	20,000	22,000	24,000	28,000
Weight	1	2	3	4

Compute the value of goodwill.

25) Kavitha and Radha are partners of a firm sharing profits and losses in the ratio of 4: They admit Deepa on 1.1.2019. On that date, their balance sheet showed debit balance of profit and loss account being accumul ted loss of Rs. 70,000 on the asset side of the balance sheet. Give the journal entry to transfer the accumulated loss on dmission.

26) What is gaining ratio?

27) Why are the shares forfeited?

28) From the following particulars of Kumar Ltd, prepare a common-size incom sta ment for the year ended 31st March, 2018.

Particulars	2017-18 RS.
Revenue from operations	5,00,000
Other income	20,000
Expenses	3,00,000

29) Calculate quick ratio: Total curre t liabilities Rs. 2,40,000; Total current ssets Rs. 4,50,000; Invento ies Rs. 70,000; Prepaid expenses Rs. 20,000.

30) What is MIS?

Part C Answer Any Seven Questions and Question Number 40 is Compulsory 7 x 3 = 21

31) From the following details, calculate the missing figure

	Rs.
Closing capital as on 31.3.2019	1,90,000
Additional capital introduced during the year	50 000
Drawings during the year	30,0 0
Opening apital on 1.4.2018	?
Loss for the year ending 31.3.2019	40,000

32) From the following particulars of Tamil Educational S ciety, prepare Receipts and Payments account for the year ended 31st March, 2019.

Particulars	Rs.	Partic lars	Rs.
Opening cash balance as on 1.4.2018	18,000	Build ng purc s d	2,10,000
Rent paid	6 000	S aff s lary	55,000
Scholarship given	15,200	Subscr ption re eived	2,65,000
Entrance fees received	18,500		

33) From the following balance sheets of Subha and Sudha who share profits and losses equally, calculate interest on capital at 6% p.a. for the year ending 31st December 2017.

Balance sheet as on 31st Dec ber 2017

Liabilities	Rs.	Asse s	Rs.
Capital accounts:		Fixed assets	30,000
Subha	15,000	Current assets	20,000
Sudha	20,000		
	15,000		
	50,000		50,000

Drawings of Subha and Sudha during the year were Rs. 2,500 and Rs. 3,500 respectively. Profit earned during the year was Rs. 15,000.

34) The profits and losses of a firm for he last four years were as follows:
2015: Rs. 15,000; 2016: Rs 17,000; 2017: Rs. 6,000 (Loss); 2018: Rs. 14,000
You are required to calculate the amount of goodwill on the basis of 5 years purchase of average profits of the last 4 years.

35) Rajesh and Ramesh are partners sharing profits in the ratio 3:2. Raman is admitted as a new partner and the new profit sharing ratio is decided as 5:3:2. The following revaluations are made. Pass journal entries and prepare revaluation account.
(a) The value of building is increased by Rs. 15,000.
(b) The value of the machinery is decreased by Rs. 4,000.
(c) Provision for doubtful debt is made for Rs. 1,000.

36) Prince, Dev and Sasireka are partners in a firm sharing profits and losses in the ratio of 2:4:1. Their balance sheet as on 31st March, 2019 is as follows:

Liabilities	Rs.	Rs.	Assets	Rs.
Capital accounts			Buildings	40,000

Liabilities	Rs.	Rs.	Assets	Rs.
Prince	30,000		Plant	50,000
Dev	50,000		Furniture	10,000
Sasireka	20,000	1,00,000	Stock	15,000
Profit and loss appropriation A/c		10,000	Debtors	20,000
General reserve		15,000	Cash at bank	15 00
Workmen compensation fund		17,000		
Sundry creditors		8,000		
		1,50,000		1,50,000

37) Anu Company forfeited 200 equity shares of Rs.10 each issued at par held by Thiyagu for nonpayment of the final call of Rs.3 per share. The shares were reissued to Laxman at Rs. per share. Show the journal entries for forfeiture and reissue

38) From the following particulars, prepare comparative income statement of Abdul Co. Ltd.

Particulars	2015 16 Rs.	2016-17 Rs.
Revenue from operations	3,00,000	3,60,000
Other income	1,00,000	60,000
Expenses	2,00,000	1,80,000
Income tax	30%	30%

39) Following is the statement of profit and loss of Maria Ltd. for the year ended 31st March, 2018. Calculate the operating cost ratio.

Statement of Profit and Loss

Particulars	Note No.	Amount Rs.
I. Revenue from operations		8,00,000
II. Other Income		20,000
III. Total revenue (I +II)		8,20 000
IV. Expenses:		
Purchases of stock-in-trade		4,50,000
Changes in inventories		-40,000
Employee benefits expenses	1	22,000
Other expenses	2	68,000
Total expenses		5,00,000
V. Profit before tax (III-IV)		3,20,000

Notes to A counts

Particulars	Amount Rs.
1. Employee benefits expenses	
Wages (direct)	10,000
Salaries	12 000
Total	22 000
2. Other expenses	20,000
Selling and distribution ex enses	28,000
Loss on sale of fixed asset	20,000
Total	68,000

40) What are the pre-defined ledgers available in Tally.ERP 9?

Part D Answer All 7 x 5 = 35

41) a) Ahmed does not keep proper books of accounts. Find the profit or loss made by him for the year ending 31st March, 2018.

Particulars	1.4.2017 Rs	31.3.2018 Rs
Bank balance	14,000 (Cr.)	18,000 (Dr.)
Cash in hand	800	1,500
Stock	12,000	16,000
Debtors	34,000	30,000
Plant	80,000	80,000
80,000	40,000	40 000
Creditors	60,000	72,00

Ahmed had withdrawn Rs. 40 000 for his p rsonal use. He had introduced Rs.16,000 as capital for expansion of his business. A provision of 5% on debtors is o e made. Pla t is to be depreciated at 10%.

(OR)

b) Mani, Rama and Devan are partners in a firm sharing profits and losses in the ratio of 4 3 : 3. Their balance sheet as on 31st March, 2019 is as follows:

Liabilities	Rs.	Rs.	Asset	Rs.
Capital accounts:			Buildings	80,000
Mani	50,000		Stock	20,000
Rama	50,000		Furniture	70,000
Devan	50,000	1 50,000	Debtors	20,000
Sundry creditors		20,000	Cash in hand	10 000
Profit and loss A/c		30,000		
		2,00,000		2 00,000

Mani retired from the partnership firm on 31 03.2019 subject to the following adjustments:
(i) Stock to be depreciated by Rs. 5,000
(ii) Provision for doubtful debts to be created for Rs. 1,000.
(iii) Buildings to be appreciated by Rs. 16,000
(iv) The final amount due o Mani is not paid immediately
Prepare revaluation account and capital account of partners after retirement.

42) a) Raju does not keep proper books of accounts. Following details are taken from his records.

Particulars	1.1.2018 Rs.	31.12.2018 Rs.
Cash at bank	80,000	90,000
Stock of goods	1,80,000	1,40,000
Debtors	90,000	2,00,000
Sundry creditors	1,30,000	1,95,000
Bank Loan	60,000	60,000
Bills payable	80,000	45,000
Plant and machinery	1,70,000	1,70,000

During the year he introduced further capital of Rs. 50,000 and withdrew Rs. 2,500 per month from the business for his personal use. Prepare statement of profit or loss with the above information

(OR)

b) From he following particulars of Chennai Sports Club, prepare Receipts and Payments account for the year ended 31st March 2018.

Particulars	Rs.	Particulars	Rs.	Rs.
Opening cash balance as on 1.4.2017	10,000	Subscriptions r ceived		
Opening bank balance as on 1.4.2017	15,000	2016 – 2017	4,500	
Interest paid	5,000	2017 – 2018	65,000	
Depreciation	7,000	2018 2019	5,000	74,500
Upkeep of grounds	22 50	Tournament expenses		12,500
Life membership fees received	5,500	Tournament fund receipts		15,000
Bats and balls purchased	13,000	Closing balance of cash (31.3.2018)		5,000

43) a) From the following receipts and payments account of Tenkasi Thiruvalluvar Manram, prepare income and expenditure account for the year ended 31st March, 2019.

Receipts	Rs.	Payments	Rs.
To Balance b/d		By Salaries	20,000
Cash in hand	14,000	By Rent	24,000
To Interest received	5,000	By Travelling expenses	2,000
To Subscription	55,000	By Printing and stationery	6,000
To Legacies	48,000	By Investments made	50,000
To Entrance fees	7,000	By Sports equipment purchased	33,000
To Sale of furniture	16,000	By Balance c/d	
(Book value: Rs.7,000)		Cash in hand	10,000
	1,45,000		1,45,000

(OR)

b) Raghu and Sam are partners in a firm sharing profits and losses in the ratio of 3:2. heir balance sheet as on 31st March, 2017 is as follows:

Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Capital accounts:			Machinery		30,000
Raghu	40,000		Furniture		10,000
Sam	30,000	70,000	Stock		10,000
Sundry creditors		30,000	Debtors	21,000	
			Less: Provision for doubtful debts	1,000	20 000
			Bank		30 000
		1,00,000			1,0 0

Prakash is admitted on 1.4.2017 subject to the following conditions

(a) He has to bring a capital of Rs. 10,000

(b) Machinery is valued at Rs. 24,000

(c) Furniture to be depreciated by Rs 3 000

(d) Provision for doubtful debts should be increased to Rs. 3,000

(e) Unrecorded trade receivables of Rs 1,000 would be brought into b oks now

Pass necessary journal entrie nd prepare revaluation account and capital account of partners af er admission.

44) a) From the following inf rmation, prepare capital accounts of partners Shanthi and Sumathi when their capitals are fixed.

Particulars	Shanthi Rs.	Sum thi Rs.
Capital on 1st January 2	1,00,000	80,000
Current account on 1st January 2018 (Cr.)	5 00	3,000
Additional capital introduced on 1st June 2018	10 00	20,000
Drawings during 2018	20,000	13,000
nterest on drawings	500	0
Share of profit for 20	10,000	8,000
Interest on capital	6,300	5,400
Salary	9 000	Nil
Commission	Nil	1,200

(OR)

b) From the following trading activities of veen Ltd. calculate

(i) Gross profit ratio

(ii) Net profit ratio

(iii) Operating cost r tio

(iv) Operating profit ratio

Statement of Profit and loss

Particulars	Rs.
I. Revenue from operations	20,000
II Other income:	
Income from investments	200
II . Total revenues (I+II)	20,200
IV. Expenses:	
Purchases of stock-in-trade	17 000
Changes in inventories	1 000
Finance costs	300
Other expenses (administration and selling)	2,400
Total expenses	18,700
V. Profit before tax (III - V	1,500

45) a) Antony and Ranjith started a business on 1st April 2018 with capitals of Rs. 4,00,000 and Rs 3,00,000 respectively. According to the Partnership Deed, Antony is to get salary of Rs. 90,000 per annum, Ranjith is to get 25% commission on profit after allowing salary to Antony and interest on capital @ 5% p.a. but after charging such commission. Profit-sharing ratio between the two partners is 1:1. During the year, the firm earned a profit of Rs. 3,65,000.

Prepare profit and loss appropriation account. The firm closes its accounts on 31st March every year.

(OR)

b) From the following particulars of Neithal Ltd, calculate trend percentages.

Particulars	Rs.in lakhs		
	2015-16	2016-17	2017-18
Revenue from operations	150	135	90
Other income	25	5	15

Particulars	Rs.in lakhs		
Expenses	125	75	50
Income tax	40%	40%	40%

46) a) Find out the value of goodwill by capitalising super profits:

(a) Norma Rate of Return 10%

(b) Profits for the last four years are Rs. 30,000, Rs. 40,000, Rs. 50 000 and Rs. 45,000.

(c) A non-recurring income of Rs. 3,000 is included in the above mentioned profit of Rs. 30,000.

(d) Average capital employed is Rs. 3,00,000.

(OR)

b) From the following balance sheet of Chandra Ltd, prepare comparative balance sheet as on 31st March 2016 and 3 st March 2017.

Particulars	31st March 2016	31st M rch 2017
	R	Rs.
I EQUITY AND LIABILITIES		
Shareholders' fund	1,00,000	2,60,000
Non-current liabilities	50,000	60,000
Current liabilities	25,000	30,000
Total	1,75,000	3,50,000
II ASSETS	1,00,000	2,00,000
Current assets	75,000	1,50,000
Total	1,75,000	3,50,000

47) a) From the following information, calculate the value of goodwill based on 3 years purchas of super profit

(i) Capital employed: Rs. 2,00,000

(ii) Normal rate of return: 15%

(iii) Average profit of the business: Rs. 42,000

(OR)

b) Jenifer Ltd. issued 10,000 equity shares of Rs.10 each at par payable on appl cation Rs.3 per share, on allotment Rs.3 per share, on first call Rs.2 per share and on second and final call Rs.2 per shar The ssue was fully subscribed and all the amounts were duly received with the exception of 100 shares held by Subbu who failed to pay the second and final call. His shares were forfeited and reissued to Hema at Rs.7 per share. Journalise th above transactions.

"Impossible is just an opinion."

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+2 Acc Model Hly Exam 22

Date : 22-Nov-22

12th Standard

Reg.No. : | | | | | | |

Accountancy

Use Blue Ink Only

Time : 03:00:00 Hrs

Total Marks : 90

Part A Multiple Choice Question

15 x 1 = 15

1) (c) Small sized sole trader business
2) (a) Total debtors account
3) (b) Real A/c
4) (a) Nominal A/c
5) (a) Equal ratio
6) (b) 6 months
7) (a) Goodwill is an intangible asset
8) (c) Goodwill under Annuity method - Average profit × Present value annuity factor
9) (b) Nominal A/c
10) (d) 1:2
11) (c) Date of his retirement
12) (c) Both (i) and (ii) are correct
13) (c) Trend analysis refers to the study of movement of figures for one year
14) (b) Ratio
15) (b) Special purpose report

Part A Assertion and reason

1 x 1 = 1

16) (a) Both (A) and (R) are true and (R) is the correct explana i n of (A).

Part A Odd one out

1 x 1 = 1

17) Sacrificing ratio
Reason: Sacrificing ratio is the propor ion of the profit which is sacrifi ed or foregone by the old pa tners in favour of the new partner. Other three are func ional classification of ratio analysis

Part A Correct Statement

1 x 1 = 1

18) (i), (ii) and (iii) are correct

Part A Find out the wrong pair

1 x 1 = 1

19) (d) Contra voucher = Only receipt items

Part A Choose the correct pair

1 x 1 = 1

20) Profi /Loss = Closing capital + Drawings - A ditional - Capital - opening capital

Part B Answer Any Seven Questions and Question Number 30 is Compulsory 7 x 2 = 14

21)
Dr. Bills receivable account Cr.

Particulars	Rs	Pa culars	Rs
To Balance b/d	20 000	y Cash A/c	60,000
To Debtors A/c (Bills received during the year – balancing figure)	75,000	By Debtors A/c (Bills receivable dishonoured)	5,000
		By Balance c/d	30,000
	95, 00		95,000

22)
Dr. Income and Expenditure Account for the year ended 31st March, 2017 Cr

Expenditure	Rs.	Income	Rs.	Rs.
		By Su scr ption	60 000	
		Add: Outstanding subscription for 2016-17	2,400	
		Subscription received in advance in in advance in	1,000	63,400

Tutorial note
(i) Subscription for the year 2015-16 Rs 7 500 and for the year 2017-18 Rs. 1,500 do not relate to the current year. So they should not be recorded in Income and Expenditure Account.
(ii) Subscription outstanding r the current year 2016-17 is Rs. 2,400. It should be added with the amount of subscription received during 2016 17

23) Calculation of interest on drawings of Priya (using average period)
Total amount of drawings = 4,000 $\times$ 4 = Rs. 16,000
If drawings are made at the end of every quarter, average period = 4.5
Interest on drawings = Total amount of drawings $\times$ Rate of interest $\times \frac{Average \quad period}{12}$

= Rs. 16,000 $\times \frac{6}{100} \times \frac{4.5}{12}$ = Rs. 360

24)

Calculation of weighted average profit

Year	Profit (a) Rs.	Weights (b)	Weighted profits (a x b) Rs
2015	20,000	1	20,000
2016	22,000	2	44,000
2017	24,000	3	72,000
2018	28,000	4	1,12,000
Total		10	2,48,000

Weighted average profit = $\frac{Total\ of\ weighted\ profits}{Total\ of\ weights}$

= $\frac{2,48,000}{10}$ =Rs.24,800

Goodwill = Weighted ave age profit × Number of years of purchase
= 24,800 x 3 = Rs.74,400

25)
Journal entry

Date	Particulars	L.E.	Debit Rs.	Credit Rs.
2019 January 1	Kavitha's capital A/c Dr. Radha's capital A/c Dr. To Profit and loss a/c (Accumulated loss transferred to old partners' capital account in the old profit sharing ratio)		40,000 30,000	70,000

26) Gaining Ratio is the proportion of the profit which is gained by the continuing partner.
Gaining ratio = Ratio of share gained by the Conitinuing partners.
Share gained = New share - Old share

27) When a shareholder defaults in making payment of allotment andlor call money, the s ares may be forfeited. On forfeiture, the share allotment is cancelled and to that extent paid up share capital a reduced. The p rson ceases to be a shareholder of the company after the shares are forfeited.

28)
Common-size income statement of Kumar Ltd for the year ended 31st March, 2018

Particulars	Absolute amount	Percentage of revenue from opera ions
Revenue from operations	5,00,000	100
Add: Other income	20,000	4
Total evenue	5,20,000	104
Less: Expenses	3,00,000	60
Profit before tax	2,20,000	44

Computation of percentage for other income

$$\frac{20,000}{5,00,000} \times 100 = 4\%$$

29) Quick ratio = $\frac{Quick\ \ assets}{Current\ \ liabilitie}$
Quick assets = Current asset Inventories - Prepaid expe ses
= Rs.4,50,00 + Rs.70,000 Rs.20,000
= Rs.3,60,000
Quick ratio = $\frac{3,60,000}{2,40,000}$ = 1:5:1

30) (i) A Management Information System (MIS) is a system th t provides information for decision making at all levels of management.
(ii) It inc udes manufacturing information system, arke ing information sys em, human resource information system and accounting information system.

Par C Answer Any Seven Questions and Ques ion Number 40 is Compulsory 7 x 3 = 21

31)
Statement of profit or loss for the year ended 31st March, 2019

Particulars	Rs.
Closing capital (as on 31.3.2019)	1,90,000
Add: Drawings during the year	30,000
	2,20,000
Less: Additional capital ntrod ced during t e year	50,000
Adjusted closing capital	1,70,000
Less: Opening capital (as on 1.4.2018) (alancing figure)	2,10,000
Loss for the year ending 31.3.2019	(-) 40,000

32)
Dr. Receipts and Payments Acco nt for the year ended
31st March, 2019 Cr

Rece pts	Rs	Payments	Rs
To Balance b/d		By Rent paid	6,000
Cash in hand	18,000	By Scholarship given	1 ,200
To Entrance fees	18,500	By Building purchased	2,10,000
To Subscription received	2,65,000	By Staff salary	55,000
		By B lance /d	
		Cash in hand	15,300
	3 01,500		3,01,500

33)

Particulars	Subha Rs.	Sudha Rs.
Capital on 31st December 2017	15,000	20,000
Add: Drawings	2,500	3,500
	17,500	23,500
Less: Profit already credited	7,500	7,500
Capital on 1st January 2017	10,000	16,000

Calculation of interest on capital:

Subha:

On opening capital = 10,00 $\times \frac{6}{100}$ = Rs. 600

Sudha:

On opening capital = 16,000 $\times \frac{6}{100}$ = Rs. 960

34) Goodwill = Average prof t × Number of years of purchase

Average profit = $\frac{Tot\ \ profit}{Number\ of year}$

Average profit = $\frac{15{,}000+17{,}000-6{,}000+14{,}000}{4}$

= $\frac{40{,}000}{4}$ = Rs. 10,000

Goodwill = Average profit $\times$ Number of years of purchase

= 10,000 × 5 = Rs. 50,000

35)

Journal entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
	Buildings A/c	Dr.		15,000	
	To Revaluation A/c (Appreciation in value of buildings recorded)				15,00
	Revaluation A/c	Dr.		5,000	
	To Machinery A/c				4,000
	To Provision for doubtful debts A/c (Decrease in assets recorded and provision made)				1,0 0
	Revaluation A/c	Dr.		10,000	
	To Rajesh's capital A/c				6, 0
	To Ramesh's capital A/c (Profit on revaluation transferred)				4 000

Dr **Revaluation Account** **C .**

Particulars	Rs.	Rs.	Par iculars	Rs
To Machinery A/c		4 000	By Buildings A/c	15,000
To Provision for doubtful debts A/c		1 000		
To Profit on revaluation transferred to				
Rajesh's capital A/c (3/5)	6,000			
Ramesh's capital A/c (2/5)	4,000	10,000		
		15,000		15,000

36)

Journal entry

Date	Particulars		L.F	Debit Rs.	Credit RS.
2019 March 31	Profit and loss appropriation A/c	Dr.		10,000	
	General reserve A/c	Dr.		55,000	
	Workmen compensation fund A/c	Dr.		17,000	
	To Prince's capital A/c (42,000 × 2/7)				12,000
	To Dev's capital A/c (42,000 × 4/7)				24 000
	To Sasireka's capital A/c (42,0 0 × 1 7)				6, 00
	(Accumulated profits and reserve tr nsferred to allpartners' capital account in the old profit sharing ratio)				

37)

In the books of Anu Company Journa entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
	Equity share capital A/c (2 0 × 10)	Dr.		2,000	
	To Equity share final all A/c (200 × 3)				600
	To Forfeited shares A/c (200 × 7)				1,400
	(100 shares forfeited)				
	Bank A/c (200 × 6)	Dr		1,200	
	Forfeited shares A/c (200 × 4)	Dr		800	
	To Share capital A/c (200 × 10)				2,000
	(Forfeited shares reissued)				
	Forfeited shares A/c (1,400-800)	Dr.		600	
	To Capital reserve A/c				600
	(Gain on reissue of forfeited shares transferred to capital reserve account)				

38)

Comparative income statement of Abdul Co. Ltd for the years ended 31st March, 2016 and 31st March, 2017

Particulars	**2015-16**	**2016-17**	**Absolute amount of increase (+) or decrease (–)**	**Percentage increas (+) or decrease (–)**
	Rs.	**Rs.**	**Rs.**	
Revenue from operations	3,00,000	3,60,000	+ 0,000	+20
Add: Other income	1,00,000	60,000	40,000	–40
Total revenue	4,00,000	4,20 000	+20,000	+5
Less: Expenses	2,00,000	1 80 000	–20,000	–10
Profit before tax	2 00,000	2,40,000	+40,000	+20
Less: Tax (30%)	0,000	72,000	+12,000	+20
Profit after tax	1,40,000	1,68,000	+28,000	+20

39) Operating cost ratio = $\frac{Operating\ cost}{Revenue\ from\ operations} \times 100 = \frac{4,80,000}{8,00,000} \times 100 = 60$ %

Cost of revenue from operations = Purchases of stock-in-trade + Change in inventories of stock in trade + Direct expenses (wages)
=4,50,000 + (40,000) + 10,000 = Rs.4,20,000
Operating expenses = Administrative expenses + Selling and distribution expenses+ Employee benefits expenses (salaries)
= 20,000 + 28,000 + 12,000 = Rs.60,000
Operating cost = Cost of revenue from operations + Operating expenses
= 4,20,000 + 60,000 = Rs.4,80,000
Tutorial Note
Loss on sale of fixed assets is a non-operating item, hence it is ignored.

(iii) Operating profit ratio

Operating profit ratio gives the proportion of operating profit to revenue from operations
Operating profit ratio is an indicator of operational efficiency of an organisation. It may be computed as follows
Operating profit ratio = $\frac{Operating\ profit}{Revenue\ from\ operations} \times 100$

Alternatively, it is calculated as under.
Operating profit ratio = 100 – Operating cost ratio
Operating profit = Revenue from operations – Operating cost
A higher ratio indicates better profitability. Greater the operating ratio, higher i the margin available for paying non-operating expenses

Tutorial note

Operating cost ratio + Operating profit ratio = 100%

40) In Tally, to record transactions, the transactions are to be identified with the r lated ledger accounts. In Tally ERP 9, there are two types of pre. defined ledgers.
(i) Cash: Under the group cash-in-hand this ledger is created, you can enter he opening balance as on the books beginn ng from.
(ii) Profit and loss account : This ledger s r a ed under the group primary In this ledger previous year's pro it or l ss is entered as the opening-balance of this ledger.
To create ledger:
Gateway of Tally → Masters >
Accounts Info > Ledgers >
Single Ledger > create

Part D Answer All 7 x 5 = 35

41) a)

In the books of Ahmed
Calculation of opening capital

Statement of affairs as on 31st March, 2017

Liabilities	Rs	Assets	Rs
B nk overdraft	14,000	Cash in hand	800
Creditors	60,000	Stock	12,000
Capital (balancing figure)	92,800	Debtors	34 000
		Plant	80,000
	1,66,800		1,66,800

Calculation of closing capital

Statement of affairs s o 31st March, 2018

Liabilities	Rs	Assets	Rs	Rs
Creditors	72,000	Bank balance		18,000
Capital (balancing figure)	1,04,000	Cash in hand		1,500
		Stock		16,000
		Debtors	30,000	
		Less: Provision for doubtful debts @ 5%	1,500	28,500
		Plant	80,000	
		Less: Depreciation	8,000	72,000
		Furniture		40,000
	1,76,000			1,76,000

Statement of profit or loss for the year ending 31st March, 2018

Particulars	Rs
Closing capital as on 31.3.2018	1,04,000
Add: Drawings during the year	40,000
	1,44,000
Less: Additional capital introduced during the year	16,000
Adjusted closing capital	1,28,000
Less: Opening capital as on 31.3.2017	92,800
Profit for the year ending 31.3.2018	35,200

(OR)

b)

Dr. Revaluation Account Cr.

Particulars	Rs.	Rs.	Particula s	Rs.
To Stock A/c		5,000	By Bu dings A/c	16,000
To Provision for d ubtful debts A/c		1,000		
To Profit on revaluation transferred to				
Mani's capital A/c (4/10)	4,000			
Rama's capital A/c (3/10)	3,000			
Devan's capital A/c (3/10)	3,000	10 000		
		16,000		16,000

Dr Capital Account Cr.

Particulars	Mani Rs.	Rama Rs.	Devan Rs	Particu ars	Mani Rs.	Rama Rs.	Devan Rs.
To Mani's loan A/c	66,000			By Balance b/d	50,000	50,000	50,000
To Balance c/d		62,000	6 00	By Revaluation A/c	4,000	3,000	3,000
				By Profit and loss A/c	12,000	9,000	9,000
	66,000	62,000	2,000		66,000	62,000	62 0 0
				By Balance b/d		62,000	62 000

42) a)

In the book of Raju
Calculation of opening capital:

Statement of affairs as on 1.1.2018

Liabilities	Rs.	Assets	Rs
Sundry creditors	1,30,000	Cash at bank	80,000
Bank loan	60,000	Stock of goods	1,80,000
Bills payable	80,000	Debtors	90,000
Capital (Balancing figure)	2,50,000	plant and ma hinery	1,70,000
	5,20,000		5,20,000

Calculation of closing capital:

Statement of affairs as on 1 1.2018

Liabilities	Rs.	Assets	Rs.
Sundry creditors	1,95,000	Cash at bank	90,000
Bank loan	60,000	Stock of goods	1,40,000
Bills payable	45,000	Debtors	2,00,000
Capital (Balancing figure)	3,00,000	Plant and machinery	1,70,000
	6,00,000		6,00,000

Statement of profit loss for the year ending 31st December 2018

Particulars	Rs.
Closing capital as on 31.12.2018	3,00,000
Add: Drawings during the year (2500 $\times$ 12)	30,000
	3,30,000
Less: Additional capital introduced during the year	50,000
Adjusted closing capital	2,80,000
Less: Opening capital as on 01.01.2018	2,50,000
Profit made during the year	30,000

(OR)

b)

In the books of Chennai Sports Club

In the books of Chennai Sports Club
Dr Receipts and Payments Account for the year ended
3 st March, 2018 Cr.

Receipts	Rs.	Rs.	Payments	Rs.	Rs.
To Balance b/d:			By Int rest paid		5,000
Cash	10,000		By Telephone xpens		7,000
Bank	15,000	25 000	By Upkeep of groun s		22,500
To Life membership fees		5 500	By Bats and balls purchased		13,000
To Tournament fund receipts		15,000	By Tournam nt expenses		12,500
To Subscriptions received			By Balance /d		
2016 – 2017	4,500		Cash	5,000	
2017 – 2018	65,000		Bank (al. fig)	55 000	60,000
2018 – 2019	5,000	74,500			
		1,20,000			1,20,000

43) a)

Dr In the books of Tenkasi Thiruvalluvar Manram Income and Expenditure A count for the year ended 31st March, 2019 Cr

Expenditure	Rs	In ome	R
To Rent	24,000	By Interest received	5,000
To Travelling expenses	2,000	By Subscription	55,000
To Salaries	20,000	By Entrance fees	7,000
To Printing and stationary	6 00		
To Loss on sale of furniture	000		
To Surplus (Excess of income over penditure)	14,000		
	6 ,000		67,000

(OR)

b)

Journal entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
2017 April 1	Bank A/c To Prakash's capital A.c (Capital brought by Prakash)	Dr.		10,000	 10,000
"	Revaluation A/c To Machinery A/c To Furniture A/c To Provision for doubtful debts / (Depreciation on machinery and furniture and provision made for doubtful debts adjusted)	Dr.		11,000	 6,000 3,000 2,000
"	Trade receivables A/c To Reva uation A/c (Unrecorded trade receivables recorded)		1,000		 1,000
"	Raghu's capital A/c Sam's capital A/c To Revaluation A/c (Loss on revaluation transferred to capital accounts)	 Dr.		6,000 4,000	 10,000

Dr. Revaluation Account Cr.

Particulars	Rs.	Particulars	Rs.	Rs.
To Machinery	6,000	By Trade receivables A/c		1,000
To Furniture	3,000	By Loss on revaluation transferred to		
To Provision for bad debts	2,000	Raghu's capital A/c (3/5)	6,000	
		Sam's capital A/c (2/5	4,000	10,000
	11,000			,

Dr. Capital Account Cr.

Date	Particulars	Ragu Rs.	Sam Rs.	Praksh Rs.	Date	Particulars	Ragu Rs.	Sam Rs.	Prakash Rs.
	To Revaluation A	6,000	4,000	-		By Balance b/d	40 000	30,000	-
	To Balance c/d	34,000	26,000	10,000		By Bank	-	-	10,000
		40,000	30,000	10,000			40,0 0	30,000	10,000
						By Balance b/d	34 000	26,000	10,000

44) a)

Dr. Partners' Capital Account Cr.

Date	Particulars	Shanthi Rs.	Sumathi Rs.	Date	Particulars	Shanthi Rs.	Sumathi Rs.
2018				2018 Jan 1	By Bal nce b/d	1,00,000	80,000
Dec 31	To Balance c/d	1 10,000	1,00,000	June 1	By Bank (Addit onal capital)	10,000	20, 00
		1,10,000	1,00,000			1,10,000	1,0 ,000
				2019 Jan 1	By Balance b/d	1,10,000	1,00,000

Dr. Partners' Current Acco nt Cr.

Date	Particulars	Shanthi Rs.	Sumathi Rs.	D te	Particulars	Shanthi Rs.	Sumathi Rs.
	To Drawings	20,000	13,00		By Balance b/d	5,000	3,000
	To Interest on drawings	500	300		By Profit and loss appropriation A/c (share of profit)	10,000	8,000
	To Balance c/d	9,800	4,300		By Interest on capital	6,300	5,400
					By Salary	9,000	-
					By Commission	-	1,200
		30,300	17, 0			30,300	17 600
					By Balance b/d	9,800	4,300

(OR)

b)

(i) Gross profit ratio = $\frac{Gross\ prof\ t}{Revenue\ from\ operations} = \times 100 = \frac{4,000}{20,000} \times 100 = 20\%$

Cost of revenue from oper tio s = Purchase of stock-in-trade + Changes in inventory + Direct expenses
= 17,000 – 1,000 + 0 = Rs.1 000
Gross profit = Revenue from perations – Cost of revenue from operations
= 20,000 – 16,000 = Rs.4,000

(ii) Net profit ratio = $\frac{Net\ profit\ after\ tax}{Revenue\ from\ operations} \times 100 = \frac{1,500}{20,000} \times 100 = 7.5\%$

45) a)

Dr Profit and loss appropriation accounts for the year ended
31st December 2018 Cr

Particulars	Rs.	Rs.	Particulars	Rs.
To In erest on capital A/c			By Profit and loss A/c	3,65,000
Antony (4,00,000 $\times$ 5%)	20,000			
Ranjith (3,00,000 $\times$ 5%)	15,000	35,000		
To Salary to Antony		90,000		
To Commission to Ranjith		48,000		
To Partner's capital A/c (profit)				
Antony $\left(1,92,000 \times \frac{1}{2}\right)$	96,000			
Ranjith $\left(1,92,000 \times \frac{1}{}\right)$	96,000	1,92,000		
		3,65,000		3,65,00

Profit before commission = 3,65,000 - (35,000 + 90,000) = Rs. 2,40,000
Commission = Net profit before commission $\times \frac{Rate\ of\ commission}{(100+Rate\ of\ commission)}$

Commission = 2,40,000 $\times \frac{25}{125}$ = Rs. 48,000

(OR)

b)

Trend analysis for Neithal Ltd

Particulars	Rs.in lakhs			Trend percentages		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Revenue from operations	150	135	90	100	90	60
Add: Other income	25	5	15	100	20	60
Total revenue	175	140	105	100	80	60
Less: Expenses	125	75	50	100	60	40
Profit before tax	50	65	55	100	130	110
Less: Income tax (40%)	20	26	22	100	130	110
Profit after tax	30	39	33	100	130	110

46) a)

Average profit $= \frac{Total\ profit}{Number\ of\ years}$

$= \frac{30,000+40,000+50,000+45,000}{3}$

$\frac{1,62\ 000}{4}$ = Rs. 40,500

Normal profit = Capital employed $\times$ Normal rate of return

= 3,00,000 $\times \frac{10}{100}$ = Rs. 30,000

Super profit = Average profit - Normal profit
= 40,500 - 30,000 = Rs. 10,500
Goodwill = $\frac{super\ profit}{Normal\ rate\ of\ r\ \ tu\ n} \times$ 100

= $\frac{10,500}{10} \times 100$ = Rs 1 05,000

(OR)

b)

Comparative balance sheet of Chandra Ltd as on 31   M rch 2016 and 31st March 2017

Pa ticulars	2015-16	2016-17	Absolute amount of increase (+) or decrease (–)	Percentage increase (+) or decrease (–)
	Rs.	Rs.	Rs	
I EQUITY AND LIABILITIES				
Shareholders' fund	1,00,000	2 60,00	+1,60,000	+160
Non-current liabilities	50,000	60 000	+10,000	+20
Current liabilities	25,0 0	0 000	+5,000	+20
Total	1,75 00	3 50,000	+1,75,000	+100
II ASSETS				
Non-current assets	1,00 000	00,000	+1,00,000	+100
Current assets	75,000	1,50,000	+75,000	+100
Total	1, 5 000	3,50,000	+1,75,000	+100

47) a)

Normal profit = Capital employed $\times$ Normal rate of return
= 2,00,000 $\times$ 15% = Rs. 30 00
Super profit = Average profi - N rmal profit
= 42 0 0   30,000
= Rs. 12,000
Goodwill = Super profit $\times$ Number of years of purchase
= 12,000 $\times$ 3
= Rs. 36,000

(OR)

b)

In the books of Aruna Mills Ltd. Journal entries

Date	Particulars		L.F.	Debit Rs.	Credit Rs.
	Bank A/c (10,000 × 3)	Dr.		30,000	
	To Equity share application A/c				30,000
	(Application money received)				
	Equity share application A/c	Dr.		30,000	
	To Equity share capital A/c				30,000
	(Application money transferred to sha e apital A/c)				
	Equity share allotment A/c (10,000 3)	Dr.		30,000	
	To Equity share capi al A/c				30,000
	(Allotment money ue)				
	Bank A/c (10 000 × 3)	Dr		30,000	
	To Equi y share allotment A/c				30,000
	(Allotment money received)				
	Equity share first call A/c (10,000 × 2)	Dr.		20,000	
	To Equity share capital A/c				20,000
	(First call money due)				
	Bank A/c (10,000 × 2)	Dr.		20,000	
	To Equity share first call A/c				20,000
	(First call money received)				
	Equity share second and final call A/c (10,000 × 2)	Dr		20 00	
	To Equity share capital A/c				20,000
	(Second and final call money due)				
	Bank A/c (9,900 × 2)	Dr.		9 800	
	To Equity share second and final all A/c				9 800
	(Second and final call money received)				
	Equity share capit l A/c (100 × 10)	Dr		1 000	
	To Equity h re second and final call A/c				200
	To Forf ited shares A/c				800
	(100 shares forfeited)				
	Bank A/c (100 × 7)	Dr		700	
	Forfeited shares A/c			300	
	To Equity share capital A/c (100 × 10)				1,000
	(Shares forfeited reissued)				
	Forfeited shares A/c (800-300)	Dr.		500	
	To Capital reserve A/c				500
	(Gain on reissue of forfeited shares transferred to apital reserve acco nt)				