

ROLL NO. _____

BH

Time : 3 Hours

(6 Pages)

Max. Marks : 100

1. Attempt any FOUR of the following:- 20

A) Write the Word/Term/Phrase which can substitute each of the following statements: 5

- 1) Expenses which are not related to purchase or production of goods.
- 2) Ratio in which continuing partners receive share in profit which is given up by the retiring partner.
- 3) Credit balance in realisation account.
- 4) Account debited to record retiring partner's share in current years' profit when date of retirement is different from the balance sheet date.
- 5) A bill drawn in Indian languages.

B) Match the following pairs:- 5

- | 'A' | 'B' |
|-----------------------|--------------------------------|
| 1. Written Down Value | a. Expense of the drawer |
| 2. Promissory Note | b. Expense of the drawee |
| 3. Unloading Charges | c. Fixed Asset |
| 4. Noting Charges | d. Current Asset |
| 5. Cash/Bank balance | e. Prepared by debtor |
| | f. Prepared by creditor |
| | g. Expense related to purchase |
| | h. Expense related to sale |

C) State TRUE or FALSE:- 5

- 1) Average due date can never fall before the first due date.
- 2) On admission when incoming partner agrees to bring goodwill in cash, he brings only his share in firm's goodwill.
- 3) On dissolution if unrecorded liability is taken over by a partner his account is debited.
- 4) Joint Venture Account is a real account.
- 5) Octroi is direct expense.

D) Answer in ONE sentence only:- 5

- 1) What is an Allonge?
- 2) What is Carriage Outward?
- 3) What is a due date of the bill?
- 4) What is fluctuating capital method?
- 5) What is the relationship between the coventurers?

E) Fill in the gaps:-**5**

- 1) Noting is compulsory in case of a _____ bill.
- 2) On admission if revalued assets and liabilities are shown at old value in the new balance sheet _____ Account is prepared.
- 3) Goodwill raised at full value in case of death of a partner is written off in _____ ratio.
- 4) _____ bill is drawn without any consideration.
- 5) When a separate set of books is maintained for joint venture, insurance claim received for goods destroyed is debited to _____ Account.

F) Prepare a bill of exchange from the following information:-**5**

- 1) Drawer : Dinkar Dhavle, Disha Marg, Dhule.
- 2) Drawee : Gajanan Ghate, Ganesh Road, Ghatkopar.
- 3) Amount : Rs.18,000/-
- 4) Period : 3 months
- 5) Date of bill : 9th December 2006
- 6) Date of acceptance : 13th December 2006

2. On 1st Oct 2003, Munnabhai Traders purchased Machinery costing Rs.20,000 and decided to depreciate it @ 10% p.a. on the original cost.

On 31st March 2006 it was decided to depreciate it as per the written down value method at the same rate from the beginning by adjusting the difference arising out of it in the year 2005-06.

Assuming that books were closed on 31st March each year prepare Machinery Account and Depreciation Account for the years 2003-04,2004-05 and 2005-06. **12**

OR**2. (A) Calculate an Average Due Date from the following details:-**

Date of bill	Period	Amount (Rs.)
27 th Jan 2006	1 month	7,000
10 th Feb 2006	2 months	9,000
25 th Feb 2006	2 months	6,000
1 st March 2006	3 months	8,000

6**(B) Find value of goodwill at 5 years purchase of super profit from the following details :-****6**

Capital employed by the firm Rs.6,00,000. Normal Rate of Return 12% of capital employed. Profit earned in last three years before fair remuneration to partners were Rs.90,000, Rs.1,50,000 & Rs.1,20,000 respectively. Fair remuneration to partners was agreed to be Rs.20,000 p.a.

3. Abhi accepted a bill of Rs.4,000 drawn by Amit payable after 3 months. Amit endorsed it to Ash. On due date it was dishonoured, noting charges being Rs.100. Amit paid necessary amount to Ash. Abhi paid Rs.1,000 along with noting charges and interest Rs.200 to Amit and accepted a bill for the balance. This bill was sent to bank for collection. It was honoured on due date, bank charges being Rs.50.

Give journal entries in the books of Amit and prepare Amit's Account in the ledger of Abhi. **12**

OR

3. Don accepted a bill of Rs.60,000 drawn by Gabbar payable after 4 months for mutual accommodation of both. Gabbar discounted it with his bank at 12% p.a. and remitted 1/3rd proceeds to Don.

Before maturity Gabbar remitted the balance to Don but Don dishonoured the bill. He then accepted a new bill for the amount due including interest @ 10% p.a. for 3 months.

Before maturity of this bill Don was declared insolvent and only 40% of the amount due was recovered from his estate.

Give journal entries in the books of Gabbar. **12**

4. Jay and Veeru entered in to joint venture to supply 1,000 chalk boxes to a school and share profits and losses in the ratio 3:2.

Jay supplied 600 boxes at Rs.20 each and paid Rs.3,000 for expenses.

Veeru supplied 400 boxes at Rs.15 each and paid Rs.2,000 for expenses.

Jay accepted a bill drawn by Veeru for Rs.10,000. Veeru discounted it at Rs.9,800 and discount was charged to joint venture.

Jay sold all the boxes at Rs.30 each. Co-venturers settled their accounts.

Prepare Joint Venture Account in the books of Jay and Jay's Account in the books of Veeru. **12**

5. Sanchita and Diwakar were in partnership sharing profits and losses in the ratio 2:1. Following was their balance sheet :-

Balance Sheet as on 31st March 2006

Liabilities	Rs.	Assets	Rs.
Capital : Sanchita	45,000	Fixed Assets	33,000
Diwakar	40,000	Stock	52,000
General Reserve	9,000	Debtors	22,000
Creditors	17,000	(-) R.D.D.	<u>2,400</u>
Bills Payable	13,000	Cash	19,400
	<u>1,24,000</u>		<u>1,24,000</u>

On 1st April 2006 Sameer was admitted to the partnership for 1/4th share. Terms of admission were:-

- (1) Sameer was to bring Rs.50,000 as capital.
- (2) Sameer was to bring Rs.25,000 as his share in goodwill which was to be withdrawn by Sanchita and Diwakar.
- (3) Fixed Assets were wrongly overvalued by 10%, Stock was to be depreciated by 5% & R.D.D. was to be maintained at 10% on debtors.
- (4) Capitals of all partners were to be adjusted in new profit sharing ratio.

Prepare : (1) Revaluation Account
 (2) Partners' Capital Accounts
 (3) Balance Sheet after the admission of Sameer.

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OR

5. Following is the balance sheet of Greg, Rahul and Saurav who were sharing profits and losses in the ratio 2:2:1 :-

Balance Sheet as on 31st March 2006

Liabilities	Rs.	Assets	Rs.
Capital : Greg	70,000	Furniture	46,000
Rahul	40,000	Investments	25,000
Saurav	30,000	Debtors	16,000
Profit & Loss A/c	6,000	Stock	52,000
Bank Loan	14,000	Cash	39,000
Creditors	18,000		
	<u>1,78,000</u>		<u>1,78,000</u>

Saurav retired on 1st July 2006 on the following terms:-

- (1) He was to be given Rs.20,000 as his share of goodwill which was to be written off.
- (2) His share in current year's profit was to be decided on the basis of average profit of last 2 years which were Rs.1,30,000 & Rs.1,10,000 respectively.

- (3) Investments were to be depreciated by 20% & Stock by Rs.2,000. Out of Creditors Rs.3,000 were not payable.
 (4) Saurav was to be paid Rs.20,000 immediately and balance was to be treated his loan.

Prepare :- (1) Revaluation Account
 (2) Partners' Capital Accounts
 (3) Balance Sheet of the reconstituted firm.

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6. Following is the balance sheet of Mona and Shveta who shared profits and losses in the ratio 3:2 :-

Balance Sheet as on 31st March 2006

Liabilities	Rs.	Assets	Rs.
Captial : Mona	70,000	Furniture	26,000
Shveta	50,000	Vehicles	38,000
General Reserve	30,000	Debtors	83,000
Creditors	45,000	Stock	42,000
Bills Payable	22,000	Cash	63,000
Bank Loan	35,000		
	2,52,000		2,52,000

The firm was dissolved on 1st April 2006.

Assets realised as follows :-

Furniture Rs.20,000

Debtors at book value

Stock Rs.62,000

Vehicle was taken over by Mona at Rs.30,000.

Creditors & Bills Payable were paid at book value, Bank Loan was repaid along with the interest of Rs.3,000 and dissolution expenses amounted to Rs.1,000.

Give journal entries to close the books of the firm.

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7. Following is the trial balance of Mandira and Sony who share profits and losses equally :-

Trial Balance as on 31st March 2006

Particulars	Debit (Rs.)	Particulars	Credit (Rs.)
Purchases	1,35,400	Capital : Mandira	80,000
Cash & Bank	50,500	Sony	60,000
Returns Inward	2,000	Sales	2,56,000
Opening Stock	13,000	Returns Outward	2,500
Travelling Expenses	5,900	Creditors	15,515
Bad Debts	1,200	R.D.D.	1,685
Debtors	54,700		
Telephone Expenses	9,500		
Salary & Wages	8,500		
Office Equipments	45,000		
Furniture	40,000		
Rent	12,000		
Drawings : Mandira	17,300		
Sony	18,000		
Carriage Inward	1,700		
Prepaid Rent	1,000		
	4,15,700		4,15,700

Adjustments :-

- (1) Closing Stock was valued at Rs.21,500.
- (2) Write off Rs.1,000 as bad debts and maintain R.D.D. at 5% on debtors.
- (3) Depreciate office equipments at 10% p.a. and Furniture at 5% p.a.
- (4) Mandira was entitled to salary of Rs.1,500 p.m.
- (5) Goods worth Rs.6,000 were sold on credit to Charu on 30th March 2006 which remained unrecorded.

Prepare Trading and Profit & Loss Account for the year ended on 31st March 2006 and Balance Sheet as on that date. **20**
