

ROLL NO. \_\_\_\_\_

## BT-28

Time : 3 Hours

(Printed pages 7)

Max. Marks: 100

1. Attempt any FOUR of the following:- 20

(A) Answer in one sentence only:- 5

1. What is goodwill?
2. What is statement of affairs?
3. What is joint venture?
4. Define bill of exchange.
5. What are noting charges?

(B) Write the word/term/phrase which can substitute each of the following statements:- 5

1. Rate at which interest on partners' loan should be paid when partnership deed is silent.
2. A bill of exchange drawn in Indian languages.
3. Account to which co-venturer transfers his share in joint venture loss when separate books are maintained.
4. Excess of average profit over normal profit.
5. Account to which 'Not for Profit' organisation transfers depreciation at the end of the year.

(C) Match the following pairs:- 5

- | 'A'                            | 'B'                                      |
|--------------------------------|--|
| 1. Bill of Exchange            | a. Fall in value of Fixed Asset          |
| 2. Joint Venture               | b. Financial result of business          |
| 3. Not for profit organisation | c. Fall in value of liability            |
| 4. Final Accounts              | d. Increase in value of liability        |
| 5. Depreciation                | e. Profit maximisation is not the motive |
|                                | f. Negotiable instrument                 |
|                                | g. For particular job/contract           |
|                                | h. Input device                          |

**(D) Select the most appropriate alternative from those given below:-**

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1. \_\_\_\_\_ is known as the father of computer.
  - (a) Charles Babbage
  - (b) Bill Gates
  - (c) Narayan Murthy
  - (d) Rajiv Gandhi
  
2. \_\_\_\_\_ is the sheet used for endorsement of bill of exchange.
  - (a) Protest
  - (b) Promissory Note
  - (c) Allonge
  - (d) Balance Sheet
  
3. When Partnership Deed is silent, interest on capital \_\_\_\_\_.
  - (a) may be allowed
  - (b) is not to be allowed
  - (c) should be allowed
  - (d) is recovered
  
4. Government grant received by a college for buying library books should be \_\_\_\_\_.
  - (a) treated income
  - (b) capitalised
  - (c) refunded
  - (d) distributed
  
5. Octroi is \_\_\_\_\_ expense.
  - (a) Capital
  - (b) Notional
  - (c) Indirect
  - (d) Direct

**(E) State whether True or False with reasons:-**

5

1. Outstanding salary is liability of the business.
2. Receipt of recurring nature is generally treated as capital receipt.

**(F) From the following details prepare the format of Bill of Exchange:-** **5**

Drawer	: Ms.Diksha Dandekar, Daya Road, Dapoli
Drawee	: Ms.Esha Ekbote, Egel Road, Ernakulam
Payee	: Ms.Gayatri Gupta, Gajanan Road, Gaya
Date of bill	: 30 <sup>th</sup> December 2009
Date of acceptance	: 2 <sup>nd</sup> January 2010
Duration	: 30 days
Amount	: Rs.12,500

2. On 1<sup>st</sup> July 2006 BK Ltd. purchased machinery costing Rs.38,000 by paying Rs.2,000 for erection in addition. On 1<sup>st</sup> April 2007 additions costing Rs.20,000 were made. On 30<sup>th</sup> June 2008, part of machinery original cost of which was Rs.8,000 on 1<sup>st</sup> July 2006 was sold for Rs.3,500. Books were closed on 31<sup>st</sup> March each year and depreciation was provided at 10% p.a. on the reducing balance. Prepare Machinery Account and Depreciation Account for the years 2006-07, 2007-08 and 2008-09. **10**

**OR**

2. (A) Calculate goodwill at 4 years' purchase of average profits and losses of last 5 years. Profits and losses were :-
- |         |                  |
|---------|------------------|
| 2004-05 | Rs.30,000 Profit |
| 2005-06 | Rs.26,000 Profit |
| 2006-07 | Rs. 8,000 Loss   |
| 2007-08 | Rs.12,000 Profit |
| 2008-09 | Rs.40,000 Profit |
- 5**
2. (B) Write a short note on computer hardware. **5**
3. Dhondu accepted a bill of Rs.20,000 drawn by Khandu payable after 3 months. It was discounted at 12% p.a. Before maturity Dhondu requested for its renewal. Khandu agreed on the condition that Rs.5,000 be paid immediately along with interest on the remaining amount at 12% p.a. for 2 months & for the balance new bill be accepted for 2 months. These arrangements were carried through. New bill was sent to bank for collection and was honoured on due date, bank charges being Rs.100. You are required to pass necessary journal entries in the books of Khandu and prepare Khandu's Account in the ledger of Dhondu. **12**

**OR**

3. Journalise the following transactions in the books of Sonali :-

1. Bank informed Sonali that Vaishali's acceptance for Rs.10,000 which was discounted with the bank was dishonoured. Noting Charges were Rs.200.
2. Pranjali requested for renewal of her acceptance for Rs.8,000 by paying cash Rs.2,000 and accepting bill of 3 months for the balance including interest at 10% p.a.
3. Maithili's acceptance of Rs.6,500 endorsed to Chaitrali was dishonoured. Necessary amount was paid to Chaitrali on the next day.
4. Pranali's acceptance of Rs.5,000 to Sonali was dishonoured. Noting Charges were Rs.150.

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4. Veeru and Yuvi entered in to joint venture to construct a cricket stadium for Mumbai Cricket Association at contract price of Rs.90,00,000 and share profits and losses in the ratio 3:2.

For this purpose they opened a joint account with the bank & deposited therein the following amount :-

Veeru	Rs.50,00,000
Yuvi	Rs.40,00,000

Following expenses were paid from joint bank account :-

Material	Rs.30,00,000
Labour	Rs.20,00,000
Other Expenses	Rs.10,00,000

Besides these expenses Veeru contributed mixer costing Rs.2,00,000.

Work was completed as per schedule and unused material was taken over by Yuvi at Rs.2,00,000. Mixer was sold at Rs.1,00,000.

Contract price was received as Rs.80,00,000 cheque and balance in shares of Rs.10 each.

Yuvi agreed to take over all shares at Rs.11 each. Accounts were settled.

You are required to prepare Joint Venture Account, Co-venturers' Account and Joint Bank Account.

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5. Edward did not keep proper record of his business transactions but could provide the following information:-

Particulars	As on 1.4.2008 Rs.	As on 31.3.2009 Rs.
Furniture	40,000	60,000
Outstanding Expenses	4,000	3,000
Prepaid Expenses	14,000	12,000
Cash balance	10,000	15,000
Bank balance (favourable to bank)	7,800	9,500
Debtors	36,000	50,000
Creditors	15,200	17,500

**Additional Information:-**

Addition to Furniture was made on 1<sup>st</sup> October 2008.

Furniture is to be depreciated at 10% p.a. R.D.D. is to be maintained at 5% on debtors.

Additional capital of Rs.20,000 was introduced on 1<sup>st</sup> January 2009.

Interest on capital is to be provided at 10% p.a.

You are required to prepare:-

1. Statement of Affairs as on 1<sup>st</sup> April 2008
2. Statement of Affairs as on 31<sup>st</sup> March 2009
3. Statement of Profit/Loss for the year ended on 31<sup>st</sup> March 2009

**10**

6. Following is the Receipt and Payment Account of Happy Club for the year ended on 31.3.2009:-

Receipts	Rs.	Payments	Rs.
To Balance b/d:		By Office Rent	18,000
Cash	4,000	By Salary	24,000
Bank	28,000	By Electricity	4,500
To Subscription:	75,000	By Furniture (01.04.08)	5,000
To Entrance Fees	4,800	By Film Show Expenses	11,000
To Life Membership Fee	8,000	By Travelling Expenses	1,500
To Film Show Collections	17,000	By Stationery	2,000
To Interest on Investments	1,200	By Balance c/d	
		Cash	7,000
		Bank	65,000
	<b>1,38,000</b>		<b>1,38,000</b>

**Balance Sheet as on 1<sup>st</sup> April 2008**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Capital Fund	64,000	Furniture	15,000
Outstanding Electricity	1,000	Investments	15,000
		Subscription Receivable	1,300
		Cash	4,000
		Bank	28,000
		Stock of stationery	1,700
<b>TOTAL</b>	<b>65,000</b>	<b>TOTAL</b>	<b>65,000</b>

**Additional Information:-**

1. Subscription Receivable as on 31.3.2009 was Rs.2,400.
2. Subscription received in advance as on 31.3.2009 was Rs.1,700.
3. Stock of stationery as on 31.3.2009 was Rs.1,100.
4. Outstanding electricity as on 31.3.2009 was Rs.800.
5. Entrance Fee is to be capitalised and Life Membership Fee is to be treated income.
6. Depreciate Furniture at 5% p.a.

You are required to prepare Income & Expenditure Account for the year ended on 31<sup>st</sup> March 2009 and Balance Sheet as on that date. **16**

7. Following is the trial balance of SRT and RD who shared profits and losses equally:-

**Trial Balance as on 31<sup>st</sup> March 2009**

<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Particulars</b>	<b>Credit (Rs.)</b>
Purchases	72,000	Capital: SRT	70,000
Sales Return	2,000	RD	60,000
Opening Stock	14,000	Purchase Return	2,300
Drawings : SRT	13,000	Creditors	17,000
RD	12,000	Bills Payable	9,000
Wages	19,000	R.D.D.	700
Printing & Stationery	3,100	Bank Overdraft	9,900
Carriage	4,300	10% Loan	10,000
Machinery	40,000	(w.e.f. 1.10.2008)	
Building	90,000	Sales	1,27,000
Debtors	10,400		
Bad Debts	1,600		
Advertisement	2,500		
Bills Receivable	6,000		
Power & Fuel	4,500		
Discount	105		
Cash	11,095		
Interest on loan	300		
<b>Total</b>	<b>3,05,900</b>	<b>Total</b>	<b>3,05,900</b>

**Adjustments:-**

1. Stock on 31.3.2009 was valued at Rs.26,500.
2. Write off Rs.400 as bad debts, maintain R.D.D. at 5% and reserve for discount on debtors at 1%.
3. Depreciate Machinery at 10% p.a. and Building at 5% p.a.
4. SRT is entitled to salary of Rs.5,000 p.a.
5. RD is entitled to commission at 1% of Gross Profit.

You are required to prepare Trading and Profit & Loss Account for the year ended on 31<sup>st</sup> March 2009 and Balance Sheet as on that date. **20**

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