

ROLL NO. _____

NT

Time : 3 Hours

(Printed pages 7)

Max. Marks: 80

1. Attempt any THREE of the following:- 15

(A) Answer in one sentence only:- 5

1. Which act is applicable to partnership business ?
2. What is meant by Reconstitution of partnership?
3. What is legacy?
4. Which types of accounts are normally maintained under Single Entry System?
5. What is an acceptance to a Bill of Exchange?

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

1. Expenses which are paid before due date.
2. A person who represents the deceased partner.
3. Shares having first right on surplus assets at the time of liquidation of company.
4. An asset which can be converted into cash immediately.
5. Transfer of title of the bill from debtor to creditor.

(C) Select the most appropriate alternative from those given below:- 5

1. Maximum _____ partners are permitted in a partnership having banking business.
 - (a) Two
 - (b) Seven
 - (c) Ten
 - (d) Twenty
2. Dissolution expenses are credited to _____ Account.
 - (a) Realisation
 - (b) Cash/Bank
 - (c) Partner's Capital
 - (d) Partner's Loan

3. Non cash items are not recorded in _____.
- Income & Expenditure Account
 - Receipts & Payments Account
 - Balance Sheet
 - Profit & Loss Account
4. When closing capital is greater than opening capital it denotes _____ in single entry.
- Profit
 - Loss
 - No profit, No loss
 - Assets
5. The issue of debentures at less than the face value is called the issue at _____.
- Par
 - Discount
 - Profit
 - Premium

(D) State whether the following statements are True or False:- 5

- Purchase of Fixed Asset is investing cash flow.
- When goodwill is written off, goodwill account is debited.
- Return Outward is deducted from Sales.
- Equity Share is a guarantee of fixed rate of dividend.
- Single Entry System is not useful for large business.

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

Drawer	: Mr. Sushant Shelar, Swami Road, Satara
Drawee	: Mr. Trilok Tambe, Tata Road, Thane
Payee	: Ms. Usha Uchil, United Nagar, Ulhasnagar
Date of bill	: 2 nd January 2014
Date of acceptance	: 3 rd January 2014
Duration	: 60 days
Amount	: ` 20,000

2. Ranbir did not keep proper record of his business transactions but provided the following information:-

Particulars	As on 1.4.2012	As on 31.3.2013
Furniture	20,000	20,000
Stock	17,000	19,000
Debtors	23,000	30,000
Creditors	10,000	18,500
Cash and Bank	30,000	41,000

Additional Information:-

- Furniture was to be depreciated at 10% p.a. & R.D.D. was to be maintained at 5% on debtors as on 31.03.2013.
- Drawings during the year 2012-13 were ` 5,000.
- Ranbir introduced additional capital of ` 20,000 on 01.01.2013.
- Interest on capital was to be allowed at 10% p.a.

You are required to prepare:-

- Statement of Affairs as on 1st April 2012
- Statement of Affairs as on 31st March 2013
- Statement of Profit/Loss for the year ended on 31st March 2013 8

OR

- (A) Explain Common Size balance sheet. 4
(B) Explain any two limitations of Analysis of financial statements. 4
- Following is the Balance Sheet of 'Master Traders' as on 31st March 2013 in which Virat & Shikhar were partners sharing profits & losses in the ratio 3:2:-

Balance Sheet as on 31st March 2013

Liabilities		Assets	
Capital : Virat	50,000	Furniture	24,000
Shikhar	40,000	Stock	32,000
General Reserve	6,000	Debtors	35,000
Creditors	24,000	Cash	5,000
Bills Payable	10,000	Bank	34,000
	1,30,000		1,30,000

On 1st April 2013 Rohit was admitted to the firm on the following terms :-

- Rohit was to bring ` 30,000 as capital by a crossed cheque.

2. Rohit was to be allowed $\frac{1}{5}^{\text{th}}$ share in future profits of the firm which was to be acquired by him from Virat & Shikhar equally.

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3. Rohit was to bring ` 20,000 as his share of goodwill by a crossed cheque.
 4. Furniture was to be depreciated by 10%, Stock was found to be undervalued by ` 2,000 & provision of ` 600 was to be made for outstanding telephone charges.
 5. Capital of all partners were to be adjusted in new profit sharing ratio by making necessary adjustment through current account.

You are required to prepare :-

1. Revaluation Account.
2. Partner's Capital Account.
3. Balance Sheet after the admission of Rohit.

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OR

3. Following is the balance sheet of 'Ace Associates' in which Sachin, Mahi & Yuvi were equal partners:-

Balance Sheet as on 31st March 2013

Liabilities	`	Assets	`
Capital : Sachin	40,000	Equipments	30,000
Mahi	40,000	Computer	25,000
Yuvi	40,000	Debtors	20,000
Profit & Loss A/c	9,000	Stock	36,000
Bank Loan	14,000	Cash & Bank	39,000
Creditors	7,000		
	1,50,000		1,50,000

Sachin retired on 1st July 2013 on the following terms:-

1. Goodwill of the firm was to be valued at 2 years' purchase of average profits of last 3 years. Profits were:- 2010-11 ` 90,000, 2011-12 ` 84,000, 2012-13 ` 96,000.
2. Profit for the current year to the date of retirement was to be calculated based on profit for the year 2012-13.
3. R.D.D. was to be maintained at 5%, outstanding interest on bank loan was to be provided ` 800 & equipments were to be depreciated by 20%.
4. Amount payable to Sachin was to be transferred to his loan account.

You are required to show :-

1. Sachin's Capital Account.
2. Working of Goodwill.

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4. Priya accepted a bill of ` 8,000 drawn by Jiya payable after three months. Jiya sent it to bank for collection. On due date, it was dishonoured, noting charges being ` 50. Priya paid ` 550 in cash & accepted a bill for the balance payable after one month. Jiya discounted it at discount of 12% p.a. On due date it was honoured.

You are required to record these transactions in the journal of Jiya and show Jiya's account in the ledger of Priya. 10

5. Following is the Balance Sheet of Chanda, Manda & Kunda who were sharing profits & Losses in the ratio 3:2:1:-

Balance Sheet as on 31st March 2013

Liabilities	`	`	Assets	`	`
Capital: Chanda	24,000		Fixed Assets		40,000
Manda	18,000		Debtors	11,000	
Kunda	<u>1,000</u>	43,000	(-) R.D.D.	<u>1,000</u>	10,000
Loan from Nanda		17,000	Stock		7,000
Creditors		10,000	Cash & Bank		10,000
			Profit & Loss A/c		3,000
		70,000			70,000

Firm was dissolved on this date due to insolvency of Kunda & following transactions took place:-

1. Fixed Assets realized at ` 36,000 & Debtors at ` 9,500. Manda took over Stock at ` 7,900.
2. Outside Liabilities were paid at book value & expenses of dissolution were ` 2,400.
3. Nothing was recovered from Kunda's estate.

You are required to prepare:-

1. Realisation Account.
2. Partner's Capital Account.
3. Cash & Bank Account.

OR

5. IPL Ltd. Issued 20,000 equity shares of ` 10 each at par. Amount payable was as follows:-

On Application ` 5, On Allotment ` 3 & On Call ` 2.

Applications were received for 30,000 shares. Excess application money on 5,000 shares was refunded & pro rata allotment was made to the remaining applicants.

One shareholder didn't pay call money on 100 shares allotted to him. Directors decided to forfeit these shares and reissue them at ` 7 per share.

You are required to record these transactions in the journal of IPL Ltd. 10

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6. Following Balance Sheet and Receipt and Payment Account of 'Aaram Charitable Hospital' are given to you:-

Balance Sheet as on 1st April 2012

Liabilities	`	Assets	`
Capital Fund	5,20,000	Building	4,00,000
Interest Free Loan from Medical Association	2,00,000	Hospital Equipments	1,50,000
Outstanding Refund to Patient	35,000	Furniture	90,000
Pre-received Subscription	5,000	Subscription Receivable	2,000
		Stock of Drugs	40,000
		Cash & Bank	78,000
	7,60,000		7,60,000

Receipts & Payment Account for the year ended on 31st March 2013

Receipts	`	Payments	`
To Balance b/d	78,000	By Purchase of Drugs	1,10,000
To Subscription	2,40,000	By Salary	1,76,000
To Life Membership Fee	20,000	By Honorarium to Doctors	3,20,000
To Fees from Patients	6,10,000	By Ambulance Charges	26,000
		By Pathology Charges	37,000
		By Hospital Maintenance Expenses	61,000
		By Hospital Equipments (On 1/10/2012)	80,000
		By Balance c/d	1,38,000
	9,48,000		9,48,000

Additional Information:-

1. Stock of Drugs as on 31/3/2013 was ` 46,000.
2. Depreciate Building at 5% p.a., Hospital Equipments at 20% p.a. & Furniture at 10% p.a.

3. Subscription receivable as on 31/3/2013 was ` 6,000 & Subscription received in advance on the same day was ` 1,000.
4. Life Membership Fees were to be capitalized.

You are required to prepare Income & Expenditure Account for the year ended on 31st March 2013 and Balance Sheet as on that date. 12

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

Trial Balance as on 31st March 2013

Particulars	Debit `	Credit `
Purchases & Sales	1,81,000	2,40,600
Sundry Debtors & Creditors	68,000	91,000
Bills Payable		64,000
Cash & Bank	70,000	
Opening Stock	69,200	
Land & Building	2,40,000	
Works Manager's Salary	9,400	
Factory Electricity	11,000	
Plant & Machinery	1,60,000	
Audit Fees	6,800	
Printing & Stationery	29,000	
Trade Expenses	4,200	
General Expenses	3,600	
Wages & Salary	41,400	
Loose Tools	20,000	
Prepaid Salary	9,000	
Capital: Shraddha		3,00,000
Aditya		2,00,000
Mrs. Aditya's Loan		22,000
Commission		5,000
Total	9,22,600	9,22,600

Adjustments:-

1. Stock on hand as on 31/3/2013 was: Cost ` 84,000, Market Value ` 90,000.
2. Audit Fees paid in advance were ` 3,000.

3. Factory Electricity includes ` 6,000 paid as deposit to M.S.E.B.
4. Goods of ` 5,000 withdrawn by Shraddha for personal use were not recorded.
5. Bills Payable dishonoured ` 5,000 remained to be recorded.
6. Depreciate Land & Building at 5% p.a. and Plant & Machinery as well as Loose Tools at 10% p.a.
7. Commission includes pre-received ` 2,000.

You are required to prepare Trading and Profit & Loss Account for the year ended on 31st March 2013 and Balance Sheet as on that date. 15

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