

ROLL NO. _____

4HF

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. What is fluctuating capital method ?
2. What is Revaluation Account?
3. What is an Entrance Fee?
4. Can a trial balance be prepared under Single Entry System?
5. What are noting charges?

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

1. The debit balance of Trading Account.
2. The method under which amount payable to the retiring partner is paid off at a time.
3. A preference share having right of conversion into equity.
4. The ratio measuring the relationship between gross profit and net sales.
5. The person who transfers the ownership of the bill.

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

1. A partner who lends only his name to the firm is called as _____ partner.

- (a) Partner in profits only
- (b) Partner by estoppel
- (c) Nominal
- (d) Minor

2. If the number of partners in a firm falls below two, the firm stands _____.

- (a) dissolved
- (b) established
- (c) realised
- (d) admitted

3. The short term deposits are _____.

- (a) Net cash
- (b) Cash equivalent
- (c) Cash flow
- (d) Cash outflow

4. Further capital introduced during the year is _____ closing capital in order to find out the correct profit under single entry.

- (a) Added to
- (b) Deducted from
- (c) Divided by
- (d) Multiplied with

5. The debentureholder is _____ of the company.

- (a) debtor
- (b) creditor
- (c) owner
- (d) supplier

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

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- 1. ROI is calculated on ownership capital only.
- 2. A new partner is admitted in the firm for getting additional capital and skill.
- 3. The interest on drawings is an income of the firm.
- 4. The liability of a shareholder of public limited company is limited.
- 5. Statement of profit shows financial position of business.

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

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Drawer	: Mr. Gangadhar Gaytonde, Gandhi Road, Ghatkopar
Drawee	: Hiren Heights, Hanuman Road, Haridwar
Payee	: Ms. Ishani Ingle, Indra Road, Indapur
Date of bill	: 17 th December 2014
Date of acceptance	: 19 th December 2014
Duration	: 2 months
Amount	: ` 30,000
Accepted for	: ` 28,000

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

Particulars	As on 1.4.2013	As on 31.3.2014
Equipments	22,000	30,000
Debtors	18,000	24,000
Stock	17,000	21,000
Creditors	9,000	11,000
Cash	13,000	15,000
10% Loan from Jayesh	6,000	6,000

Additional Information:-

- Additions to equipments were made on 01.10.2013
- Interest on Jayesh's Loan remained outstanding on 31.03.2014.
- Depreciate equipments at 10% p.a.
- R.D.D. was to be maintained at 5% on debtors.
- Drawings during the year were ` 12,000.

You are required to prepare:-

- Statement of Affairs as on 1st April 2013
- Statement of Affairs as on 31st March 2014
- Statement of Profit/Loss for the year ended on 31st March 2014 8

OR

- (A) Explain comparative financial statement. 4
(B) What are the different cash inflows and cash outflows of operating activity? 4

3. Following is the Balance Sheet of the firm in which Eena & Meena were partners sharing profits & losses in the ratio 2:1:-

Balance Sheet as on 31st March 2014

Liabilities			Assets		
Capital : Eena		30,000	Equipments		25,000
Meena		20,000	Debtors	18,000	
General Reserve		6,000	(-) R.D.D.	1,000	17,000
Creditors		24,000	Stock		35,000
Bills Payable		10,000	Cash		13,000
		90,000			90,000

On 1st April 2014 Sheena was admitted to the firm for 1/4th share on the following terms :-

1. She was to bring ` 20,000 in cash as capital.
2. Goodwill of the firm was valued at ` 30,000. Sheena being unable to bring Goodwill in cash, it was to be raised.
3. Equipments were to be depreciated by 10%, R.D.D. was to be maintained at 10% on debtors and out of creditors ` 300 were not payable.

You are required to prepare :-

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

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OR

3. Following is the balance sheet of Sanju, Manju and Anju who were partners sharing profits and losses in the ratio 3:2:1:-

Balance Sheet as on 31st March 2014

Liabilities	`	Assets	`
Capital : Sanju	50,000	Furniture	40,000
Manju	40,000	Vehicles	20,000
Anju	30,000	Debtors	45,000
Loan from bank	10,000	Stock	30,000
Creditors	20,000	Cash	15,000
	1,50,000		1,50,000

On 1st April 2014 Anju retired on the following terms:-

1. Goodwill of the firm was valued at ` 24,000. For the purpose of retirement Goodwill was to be raised and written off.
2. Furniture and Vehicles were to be depreciated by 5%. Accumulated interest on loan ` 600 remained unaccounted which was to be brought to books.
3. Anju was to be paid ` 5,000 in cash. Balance was to be transferred to her loan account.

You are required to show :-

1. Revaluation Account.
2. Partner's Capital Account.
3. Balance Sheet of the firm after the retirement of Anju.

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4. Journalise the following transactions in the books of Disha:-

1. Nisha's acceptance of ` 15,000 to Disha which was discounted was dishonoured. Noting charges amounted to ` 100.
2. Usha's acceptance of ` 6,000 to Disha was renewed by paying ` 2,000 in cash and accepting a bill payable after two months for the balance including interest at 12% p.a.
3. Asha's acceptance to Disha for ` 7,000 which was sent to bank for collection was dishonoured. Noting Charges amounted to ` 50.
4. Esha's acceptance of ` 2,000 to Disha was endorsed to Varsha. On due date it was dishonoured.

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5. Following is the Balance Sheet of Varun & Arun who were equal partners:-

Balance Sheet as on 31st March 2014

Liabilities	`	Assets	`
Capital: Varun	35,000	Furniture	22,000
Arun	25,000	Vehicles	18,000
Loan from Mrs. Arun	10,000	Debtors	15,000
Creditors	13,000	Stock	22,000
Outstanding Expenses	7,000	Cash	3,000
		Profit & Loss Account	10,000
	90,000		90,000

Firm was dissolved on this date & following transactions took place:-

1. Assets realized:- Furniture ` 15,000, Debtors at book value & Stock at ` 40,000.
2. Vehicles were taken over by Varun ` 10,000.
3. Mrs. Arun's Loan was taken over by Arun, other liabilities were paid at book value, dissolution expenses amounted to ` 1,000.
4. Partners settled accounts.

You are required to pass necessary journal entries to close books of the firm.

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OR

5. Dimensions Ltd. Issued 10,000 shares of ` 10 each at premium of ` 2 each. Amount payable was as follows:-

On Application ` 6, On Allotment ` 5 (including premium) & On Call ` 1

Applications were received for 12,000 shares & pro rata allotment was made to all the applicants.

One shareholder didn't pay call money on 200 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 Dimensions Ltd. 10

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P.T.O.

6. Following Balance Sheet and Receipt and Payment Account of 'Child Care Trust' are given to you:-

Balance Sheet as on 1st April 2013

Liabilities	`	Assets	`
Capital Fund	20,000	Furniture	30,000
Building Fund	41,000	Subscription Receivable	4,000
Subscription received in advance	1,000	Cash & Bank	28,000
	62,000		62,000

Receipts & Payment Account for the year ended on 31st March 2014

Receipts	`	Payments	`
To Balance b/d	28,000	By Rent	16,500
To Subscription	63,000	By Printing & Stationery	6,500
To Donation for Building Fund	29,000	By Honorarium to Clerks	12,000
To Entrance Fees	18,000	By Expenses on Rally	8,100
To Legacies	10,000	By Advance for new building	50,000
To Collection for Rally	8,500	By Conveyance	2,000
		By Refreshments	4,000
		By Balance c/d	57,400
	1,56,500		1,56,500

Additional Information:-

- Subscription receivable as on 31/3/2014 was ` 4,000 whereas subscription received in advance on the same day was ` 2,000.
- Legacies were to be capitalised whereas Entrance Fees were to be treated revenue.
- Furniture was to be depreciated at 20% p.a.
- Outstanding Rent as on 31/03/2014 was ` 1,500.

You are required to prepare Income & Expenditure Account for the year ended on 31st March 2014 and Balance Sheet as on that date. 12

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7. Following is the trial balance of Aakash and Prakash who shared profits and losses in the ratio 3:2:-

Trial Balance as on 31st March 2014

Particulars	Debit `	Particulars	Credit `
Debtors	39,900	Sales	2,40,000
Stock on 01.04.2013	50,400	Returns Outward	1,000
Purchases	1,30,000	Creditors	23,000
Returns Inward	2,000	Capital : Aakash	60,000
Cash	54,000	Prakash	60,000
Bills Receivable	19,000	Outstanding Salary	2,000
Salary	24,000	12% Loan from Kailash (w.e.f. 01.10.2013)	10,000
Rent	4,800	R.D.D.	400
Local Body Tax (LBT)	3,600	Bank Overdraft	11,000
Printing & Stationery	8,200		
Furniture	40,000		
Telephone Charges	9,600		
Bad Debts	1,300		
Discount	600		
Drawing : Aakash	10,000		
Prakash	10,000		
Total	4,07,400	Total	4,07,400

Adjustments:-

1. Closing Stock was valued at ` 60,800.
2. Write off further bad debts ` 900, maintain R.D.D. at 5% and Reserve for discount at 1% on debtors.
3. Depreciate furniture at 10% p.a.
4. Dishonoured Bill Receivable of ` 1,000 remained to be recorded.
5. Goods worth ` 3,000 were distributed as free samples.

You are required to prepare Trading and Profit & Loss Account for the year ended on 31st March 2014 and Balance Sheet as on that date.

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