



BOARD QUESTION PAPER : MARCH 2019

Time: 3 Hours

Max. Marks: 80

- Q.1. Attempt any THREE of the following sub-questions:** **[15]**
- (A) Answer the following questions in only 'one' sentence each:** **(5)**
- (1) What is Balance Sheet?
 - (2) What is gain ratio or benefit ratio?
 - (3) What is authorised capital?
 - (4) Who is a drawer?
 - (5) What is Statement of Affairs?
- (B) Write a word / term / phrase as a substitute for each of the following statements:** **(5)**
- (1) An association of two or more persons to carry on business.
 - (2) Payment of the bill before due date.
 - (3) The acknowledgement of debt under common seal of company.
 - (4) A bill which is drawn in India and payable in other country.
 - (5) Critical evaluation of financial statement to measure profitability.
- (C) Select the most appropriate alternative from those given below and rewrite the statements:** **(5)**
- (1) The interest on drawings is transferred to _____ side of the Profit and Loss Account.

(A) debit	(B) credit
(C) assets	(D) liability
 - (2) If any asset is taken over by a partner from the firm, _____ account will be debited.

(A) capital	(B) revaluation
(C) assets	(D) profit and Loss adjustment
 - (3) If goodwill is raised to the extent of retiring partner's share, _____ account is to be debited.

(A) cash	(B) goodwill
(C) all partners' capital	(D) retiring partners' capital
 - (4) _____ extra days are allowed over and above the period of the bill.

(A) Two	(B) Three
(C) Five	(D) Ten
 - (5) In the statement of Profit or Loss, interest on capital is _____.

(A) shown as addition	(B) shown as subtraction
(C) ignored	(D) multiplied
- (D) State whether the following statements are True or False:** **(5)**
- (1) 'Not for profit' concerns concentrate their efforts on maximizing their profit.
 - (2) On dissolution of a firm, Cash or Bank account is closed automatically.
 - (3) A bill can't be deposited into a bank for collection.
 - (4) A person to whom or as per his order, amount of bill is payable is a payee.
 - (5) Analysis of financial statement is a tool but not a remedy.
- (E) Prepare a format of Bill of Exchange from the following information:** **(5)**
- Shri Manohar Ramchandra Patil, 208, Mahatma Gandhi Road, Mumbai, 400018 draws a four months' bill for ₹ 12,995 on Shri Ravindra K. Sankpal, Main Road, Sawantwadi, Dist. Sindhudurg payable to Sonali S. Pandit, Ratnagiri on 10th January, 2017.
- Shree Ravindra K. Sankpal accepted it on 13th January, 2017 for ₹ 12,900 only.



Q.2. Shri Pramod keeps his books by single entry method. Following are the details of his business :

[8]

Particulars	01.04.2015 Amount (₹)	31.03.2016 Amount (₹)
Cash in hand	40,000	64,000
Cash at bank	80,000	1,44,000
Stock in trade	64,000	96,000
Furniture	72,000	72,000
Plant and machinery	2,40,000	3,60,000
Creditors	60,000	72,000
Debtors	96,000	1,20,000

During the year, Shri Pramod has withdrawn ₹ 40,000 for his private purpose and taken goods of ₹ 8,000 for household use.

On 1st October, 2015, he sold his household furniture for ₹ 8,000 and deposited the same amount in the business bank account.

Provide depreciation on plant and machinery @ 10% p.a. (assuming additions were made on 1st October, 2015) and furniture @ 5% p.a.

Prepare:

Opening and Closing Statement of Affairs and Statement of Profit or Loss for the year ended 31st March, 2016.

OR

(A) What are the investing activities of cash flow?

(4)

(B) State the limitations of analysis of financial statements.

(4)

Q.3. Following is the Balance Sheet of Harsha and Varsha's firm on 31st March, 2016. They share profit and losses in the ratio of 3: 2.

[10]

Balance Sheet as on 31st March 2016

Liabilities	Amount (₹)	Assets	Amount (₹)	Amount (₹)
Capital A/Cs:		Land and building		2,00,000
Harsha	2,80,000	Furniture		76,000
Varsha	2,80,000	Sundry debtors		3,00,000
Sundry creditors	4,00,000	Stock		1,60,000
		Cash at bank		2,24,000
	9,60,000			9,60,000

They decided to admit Asha on 1st April, 2016, into partnership on the following terms:

- (1) Asha should bring ₹ 80,000 as her share of goodwill, which is to be retained in the business.
- (2) She should bring ₹ 1,00,000 as her capital for $\frac{1}{4}$ th share in future profits.
- (3) Land and building to be valued at ₹ 2,40,000 and furniture be reduced by 10%.
- (4) A provision of 5% on debtors to be made for doubtful debts.
- (5) The stock is to be taken at a value of ₹ 2,00,000.
- (6) The excess of capital of Harsha and Varsha over their due proportion of sharing profits in the firm is to be transferred to their respective loan accounts.

Prepare:

Profit and Loss Adjustment Account, Partners' Capital Accounts and new Balance Sheet of the firm.

OR

Following is the Balance Sheet of Dhirshree, Sonam and Simran who were sharing profit and losses in the proportion of their capitals:

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital accounts:		Plant and machinery	60,000
<i>Dhirshree</i>	1,50,000	Land and building	1,65,000
<i>Sonam</i>	60,000	Stock	36,000
<i>Simran</i>	90,000	Debtors	36,000
Sundry creditors	45,000	Less : R.D.D.	3,000
		Bank balance	51,000
	3,45,000		3,45,000

Simran retired from the business on 31st March, 2016 and the following adjustments were agreed to:

- (1) The stock is to be valued at 92% of its book value.
- (2) R.D.D. is to be maintained at 10% on Sundry Debtors.
- (3) The value of land and building be appreciated by 20%.
- (4) The goodwill of the firm be fixed at ₹ 36,000 and Simran's share in the same be adjusted in the accounts of continuing partners in the gain ratio.
- (5) The entire capital of the new firm be fixed at ₹ 4,80,000 between Dhirshree and Soman in the proportion to their new profit sharing ratio which is fixed as 3 : 1 by making adjustment for difference in cash.

Prepare:

- (1) Profit and Loss Adjustment Account.
- (2) Partners' Capital Accounts.
- (3) Balance Sheet after retirement of Simran.

Q.4. Pooja owes Sunil ₹ 50,000. Sunil draws a bill for ₹ 42,000 on Pooja for 3 months' period and received the cheque for the balance. The bill is duly accepted and returned to Sunil. On the same date, Sunil endorsed Pooja's acceptance to Prema.

[10]

On the due date, Prema informed Sunil that Pooja dishonoured her acceptance and paid ₹ 350 as noting charges. Sunil then drew new bill for one month on Pooja including noting charges and interest ₹ 1,200. On the due date Pooja honoured the bill by cheque.

Prepare:

Pass Journal Entries in the books of Sunil and prepare Sunil's account in the books of Pooja.

Q.5. Ram, Laxman and Bharat were partners sharing profit and losses in the ratio of 2 : 2 : 1. Following is the Balance Sheet as on 31st March, 2016:

[10]

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/Cs:		Machinery	2,00,000
<i>Ram</i>	2,40,000	Stock	80,000
<i>Laxman</i>	80,000	Debtors	2,20,000
<i>Bharat</i>	80,000	Less : R.D.D.	12,000
<i>General reserve</i>	24,000	Investments	96,000
<i>Creditors</i>	1,92,000	Profit and Loss A/c.	72,000
<i>Bills payable</i>	56,000	Bank balance	16,000
	6,72,000		6,72,000

**On the above date the partners decided to dissolve the firm:**

- (1) Assets were realised as under —
Machinery ₹ 1,80,000, Stock ₹ 72,000, Investments ₹ 84,000, Debtors ₹ 1,80,000.
- (2) Dissolution expenses were 12,000.
- (3) Goodwill of the firm realised 96,000.

Prepare :

- (1) Realisation Account
- (2) Partners' Capital Accounts
- (3) Bank Account

OR

Bandekar Industries Co. Ltd. Issued 60,000 equity shares of ₹ 100 each, payable as follows:

On application	₹ 20
On allotment	₹ 30
On first call	₹ 25
On second call and Final call	₹ 25

The company received applications for 48,000 equity shares. All the applications were accepted and shares were allotted. The company made both the calls.

One shareholder Mr. Ramesh holding 1,600 shares failed to pay the final call. His shares were forfeited.

Pass Journal Entries in the books of Bandekar Industries Co. Ltd.

- Q. 6. Given below is the balance sheet as on 1st April, 2015 and Receipts and Payments Account for the year ending 31st March, 2016 of Decent Sports Club, Kudal.

From the given information prepare Income and Expenditure Account for the year ended 31st March, 2016 and the Balance Sheet as on that date:

[12]

Balance Sheet as on 1st April, 2015

Dr.		Cr.	
Liabilities	Amount (₹)	Assets	Amount (₹)
Capital fund	9,25,000	Play-ground	8,00,000
Building fund	5,00,000	Furniture	36,000
Subscription received in advance for the year 2015-2016	9,000	Stock of sports material	44,000
		Building fund investment	5,00,000
		Cash at bank	20,000
		Outstanding subscriptions	34,000
	14,34,000		14,34,000

Receipts and Payments Account for the year ending 31st March, 2016

Dr.		Cr.	
Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By sports material purchased	52,000
<i>Cash in bank</i>	20,000	By salaries and wages	87,000
To Subscription	2,01,800	By Office expenses	1,26,000
To Donations	56,000	By Telephone charges	12,400
To Admission fees	13,000	By Balanced c/d	
To Sundry receipts	2,700	<i>Cash at bank</i>	34,100
To Interest on Investment in building fund	18,000		
	3,11,500		3,11,500



Adjustments:

- (1) Stock of sports material in hand on 31st March, 2016 was ₹ 48,000.
- (2) Admission fees and donations are to be capitalised.
- (3) Subscription received during the year included ₹ 34,000 for previous year and ₹ 10,000 for the next year. Current year's subscription ₹ 29,000 is to be received.

Q.7. Ashok and Sangmesh are in partnership sharing profit and losses in the ratio of 2 : 1. From the following trial balance and adjustments given below, you are required to prepare Trading and Profit and Loss Account for the year ended on 31st March, 2016 and Balance Sheet as on that date:

[15]

Trial Balance as on 31st March, 2016

Particulars	Debit Amount (₹)	Credit Amount (₹)
Prepaid insurance	3,200	
Insurance	8,000	
R.D.D		4,000
Discount	3,200	
Postage and telephone	12,800	
Debtors and creditors	2,64,000	2,72,000
Salaries	2,24,000	
Wages	96,000	
Opening stock	1,92,200	
Carriage	4,000	
Purchases and sales	7,72,800	12,06,400
Return inwards/outwards	22,400	36,800
Bank overdraft		4,83,200
Plant and machinery	96,000	
Land and building	7,04,000	
Partners' capital accounts :		
Ashok		2,08,000
Sangmesh		1,92,000
	24,02,400	24,02,400

Adjustments :

- (1) Write off ₹ 8,000 for bad debts and provide R.D.D. @ 5% on debtors.
- (2) Goods worth ₹ 16,000 were distributed as free samples.
- (3) Closing stock on 31st March, 2016 was valued at the cost of ₹ 2,24,000 while its market price was ₹ 2,40,000.
- (4) Salaries were outstanding ₹ 8,000.
- (5) Depreciate : Land and Building @ 5% p.a. and Plant and Machinery @ 10% p.a.