## 2022 <br> ACCOUNTANCY

Full marks : 70
Time : 3 hours
General instructions:
i) Approximately 15 minutes is allotted to read the question paper and revise the answers.
ii) The question paper consists of 24 questions.
iii) Marks are indicated against each question.
iv) General choice has been provided in some questions.
N.B: Check to ensure that all pages of the question paper is complete as indicated on the top left side.

1. What is meant by entrance fee?
2. Give two examples of non-cash items.
3. State the nature of Profit and Loss Adjustment Account.
4. Write two rights of a new partner.
5. What is meant by Realisation Account?
6. Write any two grounds under which the firm can be dissolved by Court.
7. Give the meaning of 'Premium on Redemption of Debenture Account'.
8. From the following information, compute the advance subscription as on 31.12.2021

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a) A club has 39 members, each paying annual subscription of ₹ 1,000
b) Subscription received during 2021 ₹ 50,000
c) Subscription received in advance as at 31.12 .2020 ₹ 10,000
d) Subscription outstanding as at 31.12.2021 ₹9,000
e) Subscription outstanding as at 31.12.2020 ₹ 18,000
f) Subscription of ₹7,000 are still in arrears for the year 2020
9. List any three features of Receipts and Payments Account.
10. Explain three methods of redemption of debentures.
11. Write any three objectives of financial analysis.
12. From the following information, calculate revenue from operations.

Sale of products
Sale of services
Trade commission
Excise duty
Answer any three (3) from the following questions
₹ $1,35,000$
₹ 15,000
₹ 30,000
₹90,000
13. $X$ and $Y$ are partners in a firm. $X$ is entitled to a salary of $₹ 2,000$ per month together with a commission of $10 \%$ of net profit before charging any commission. Y is entitled to a salary of ₹ 5,000 per annum together with a commission of $10 \%$ net profit after charging all commissions. Net profit before charging any commission for the year was ₹55,000.
Prepare Profit and Loss Appropriation Account.
14. Write any six points of differences between Revaluation Account and Realisation Account.
15. Distinguish between a share and a debenture on six bases.
16. Zee Ltd. issued $10,000,12 \%$ debentures of $₹ 100$ each at $6 \%$ discount, redeemable at $10 \%$ premium after 5 years, payable as $₹ 60$ on application and the balance on allotment. This issue was over-subscribed by 1000 debentures and allotment was made on prorata basis. All money was duly received. Journalise these transactions.
17. From the following information, Prepare Comparative Balance Sheet.

|  | $\mathbf{3 1 . 3 . 2 0 2 0}$ | $\mathbf{3 1 . 3 . 2 0 2 1}$ |
| :--- | :---: | ---: |
|  | $₹$ | $₹$ |
| Shareholders' funds | $7,20,000$ | $13,32,000$ |
| Non-current Liabilities | $3,60,000$ | $3,60,000$ |
| Current Liabilities | $1,20,000$ | $1,08,000$ |
| Non-current Assets | $8,40,000$ | $15,12,000$ |
| Current Assets | $3,60,000$ | $2,88,000$ |

18. From the following information, Calculate
(i) Gross Profit Ratio (ii) Working Capital Turnover Ratio (iii) Proprietary Ratio

Paid up capital ₹ $8,00,000$
Current Assets ₹5,00,000
Current Liabilities ₹ $2,90,000$
9\% Debentures ₹ $3,40,000$
Cash Revenue from Operations 75\% of Credit Sales
Credit Revenue from Operations
₹ $3,00,000$
Cost of Revenue from Operations
₹ $3,80,000$

Answer any three (3) from the following questions:
19. The Balance Sheet of P and S sharing profits and losses in the ratio of $3: 2$ is given below:

| Liabilities | $₹$ | Assets | $₹$ |
| :--- | ---: | :--- | ---: |
| Bank over-draft | 20,000 | Cash | 8,000 |
| Creditors | 30,000 | Debtors | 10,000 |
| Provision for doubtful debts | 1,000 | Bills receivable | 60,000 |
| General reserve | 15,000 | Stock | 50,000 |
| V's loan | 20,000 | Building | 90,000 |
| Capitals Account |  | Land | $1,48,000$ |
| P | $1,00,000$ |  |  |
| S | $1,80,000$ |  |  |
|  | $3,66,000$ |  | $3,66,000$ |

They admitted V as a new partner on the following terms:
i) $V$ will get $1 / 8^{\text {th }}$ share in the profits of the firm.
ii) V's loan will be converted into his capital.
iii) The goodwill of the firm was valued at ₹ 80,000 and V brought his share of goodwill premium in cash.
iv) Provision for doubtful debts was to be made equal to $5 \%$ of the debtors.
v) Stock to be depreciated by $7 \%$, Land to be appreciated by $10 \%$

Prepare the Revaluation Account, Capital Accounts of P, S and V and the Balance Sheet of the new firm.
20. The Balance Sheet of $\mathrm{A}, \mathrm{B} \& \mathrm{C}$ who are partners in a firm sharing profits according to their capitals was as under

| Liabilities | ₹ | Assets |  | ₹ |
| :---: | :---: | :---: | :---: | :---: |
| Creditors | 21,000 | Buildings |  | 1,00,000 |
| A's Capital | 80,000 | Machinery |  | 50,000 |
| B's Capital | 40,000 | Stock |  | 18,000 |
| C's Capital | 40,000 | Debtors | 20,000 |  |
| General reserve | 20,000 | Less: Provision | 1,000 | 19,000 |
|  |  | Cash at bank |  | 14,000 |
|  | 2,01,000 |  |  | 2,01,000 |

On that date, B decided to retire from the firm and was paid for his shares in the firm subject to the following:
i) Building to be appreciated by $20 \%$.
ii) Provision for doubtful debts to be increased to $15 \%$ on debtors.
iii) Machinery to be depreciated by $20 \%$.
iv) Goodwill of the firm is valued at $₹ 72,000$ and the retiring Partner's share is adjusted through the capital accounts of remaining partners.
v) The capital of the new firm be fixed at $₹ 1,20,000$.

Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet after retirement of B.
21. A Limited issued to the public for subscription 40,000 shares of $₹ 10$ each at par payable as $₹ 2$ each on application, allotment and $1^{\text {st }}$ call and the balance on the final call. Applications were received for 60,000 shares and allotment was made prorata to $80 \%$ applicants. R to whom 1600 shares were allotted paid only the application money and S who had applied for 2400 shares paid the entire call money due along with the allotment money. Pass the necessary journal entries to record the above transactions assuming that Calls-in-Arrears Account is maintained
22. Define share capital.State three purposes of securities premium. Write any six features of debentures.
$(1+3+6=10)$
23. From the following information, prepare a Cash Flow Statement:

Balance Sheets as at 31.3.2020 \& 31.3.2021

| Particulars | $\underset{₹}{\text { 31.3.2021 }}$ | $\underset{₹}{\text { 31.3.2020 }}$ |
| :---: | :---: | :---: |
| I. Equity \& Liabilities |  |  |
| i) Shareholders' Funds: |  |  |
| - Share Capital | 8,50,000 | 4,60,000 |
| - Reserves \& Surplus | 1,70,000 | 2,40,000 |
| ii) Non Current Liabilities(10\% debentures) | 1,80,000 | 2,00,000 |
| iii) Current Liabilities | - | - |
| Total | 12,00,000 | 9,00,000 |
| II. Assets |  |  |
| i) Non Current Assets |  |  |
| -Tangible Fixed Assets | 7,00,000 | 5,00,000 |
| ii) Current Assets |  |  |
| - Inventories | 2,50,000 | 2,10,000 |
| - Trade Receivables | 1,90,000 | 1,40,000 |
| - Cash \& Cash Equivalents | 60,000 | 50,000 |
| Total | 12,00,000 | 9,00,000 |

Additional information: During the year, a machine costing ₹ 70,000 (Depreciation provided there on ₹ 10,000 ) was sold for ₹ 50,000 . Dividend paid ₹ 80,000 . Depreciation provided during the year ₹ 20,000 .
24. From the following information, prepare the Cash Flow Statement.

BALANCE SHEETS
as at $3^{\text {st }}$ March, 2019 and $31{ }^{\text {st }}$ March, 2020

| Particulars | $\underset{₹}{31.03 .2020}$ | $\underset{₹}{31.03 .2019}$ |
| :---: | :---: | :---: |
| I. Equity \& Liabilities |  |  |
| i) Shareholders' Funds: |  |  |
| - Share Capital | 20,00,000 | 15,00,000 |
| - Reserve and Surplus (Profit \& Loss A/C) | 4,00,000 | 2,00,000 |
| ii) Non-Current Liabilities | - | - |
| iii) Current Liabilities |  |  |
| - Other Current Liabilities | 4,00,000 | 3,00,000 |
| -Short term provision(Proposed Dividend) | 2,00,000 | 1,00,000 |
| Total | 30,00,000 | 21,00,000 |
| II. Assets |  |  |
| i) Non Current Assets |  |  |
| -Tangible Fixed Assets | 18,00,000 | 12,00,000 |
| -Intangible Fixed Assets(Goodwill) | - | 1,00,000 |
| ii) Current Assets | , 0 |  |
| - Inventories \& Trade Receivables | 12,00,000 | 8,00,000 |
| Total | 30,00,000 | 21,00,000 |

Additional information:
i) During the year ₹ 80,000 depreciation was charged on fixed assets.
ii) A piece of machine included in fixed assets costing ₹ 20,000 on which depreciation charged was $₹ 8,000$ was sold for $₹ 10,000$.

