

DAY — 13

SEAT NUMBER

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2024 III 07

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## BOOK KEEPING & ACCOUNTANCY (50)

Time : 3 Hrs.

( 11 Pages )

Max. Marks : 80

**Q. 1. Attempt all of the following subquestions :**

**[20]**

**(A) Find the odd one :**

**(5)**

- (1) Subscribed Capital, Called up Capital, Paid up Capital, Equity Shares.
- (2) Building, Bills Payable, Furniture, Machinery.
- (3) Retaining of Bill, Noting of Bill, Discounting of Bill, Endorsing of Bill.
- (4) Audit Fees, Insurance, Medical Expenses, Sundry Receipts.
- (5) General Reserve, Creditors, Investments, Capital.

**(B) Do you agree or disagree with the following statements :** (5)

- (1) 'Not for Profit' concerns do not prepare Balance Sheet.
- (2) Current Account always shows a debit balance.
- (3) A Bill of Exchange is a conditional order.

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(4) Retiring partner is entitled to share in Reserve Fund and Accumulated Profit.

(5) On dissolution, Cash or Bank account is closed automatically.

**(C)** Select the most appropriate alternative from those given below and rewrite the statements : (5)

(1) In case of dissolution, assets and liabilities are transferred to \_\_\_\_\_ Account.

(a) Bank (b) Partners' Capital  
(c) Realisation (d) Partners' Current

(2) In the absence of an agreement, interest on loan advance by the partner to the firm is allowed at the rate of \_\_\_\_\_.

(a) 5% (b) 6%  
(c) 10% (d) 9%

(3) If an asset is taken over by the partner, \_\_\_\_\_ account is debited.

(a) Revaluation (b) Capital  
(c) Asset (d) Balance Sheet

(4) The balance of Capital Account of a retired partner is transferred to his \_\_\_\_\_ Account, if it is not paid.

(a) Loan (b) Personal  
(c) Current (d) Son's

(5) Income and Expenditure Account is a \_\_\_\_\_ Account.

(a) Capital (b) Real  
(c) Personal (d) Nominal

**(D)** Write a word / term / phrase as a substitute for each of the following statements : (5)

- (1) Tally software is classified into this category.
- (2) Partnership Agreement in written form.
- (3) An asset which can be converted into cash immediately.
- (4) A person who represents the deceased partner.
- (5) The debit balance of Income and Expenditure Account.

**Q. 2.** Seeta and Geeta share profits and losses in the ratio of [10] 3 : 2 in Partnership Firm. Their Balance Sheet as on 31<sup>st</sup> March, 2020 was as under :

**Balance Sheet as on 31<sup>st</sup> March, 2020**

| Liabilities     | Amount<br>(₹) | Assets           | Amount<br>(₹) |
|-----------------|---------------|------------------|---------------|
| Capitals :      |               |                  |               |
| Seeta           | 22,500        | Bank             | 11,250        |
| Geeta           | 18,000        | Bills Receivable | 5,700         |
|                 | 40,500        | Debtors          | 31,200        |
| Creditors       | 18,750        | (-) R.D.D.       | 1,200         |
|                 |               |                  | 30,000        |
| Bills payable   | 15,000        | Stock            | 18,000        |
| Bank Loan       | 24,000        | Furniture        | 7,050         |
| General Reserve | 3,750         | Machinery        | 7,500         |
|                 |               | Building         | 22,500        |
|                 | 1,02,000      |                  | 1,02,000      |

On 1st April, 2020 they admitted Reeta on the following terms :

- (1) For half ( $\frac{1}{2}$ ) share in future profit Reeta should bring ₹ 15,000 as capital and ₹ 7,500 for goodwill in cash.
- (2) Furniture should be appreciated up to ₹ 8,025 and building be appreciated by 20%.
- (3) R.D.D. is to be maintained at ₹ 1,500.
- (4) The stock is to be reduced by 10% and machinery depreciated by 5%.
- (5) Half of amount of goodwill is withdrawn by old partners.

Pass the necessary Journal Entries in the books of the firm.

**OR**

The balance sheet of Shivshakti Traders, Mumbai is as follows. Partners share profit and losses as 5 : 2 : 3.

**Balance Sheet as on 31<sup>st</sup> March, 2020**

| Liabilities        | Amount<br>(₹)   | Assets              | Amount<br>(₹)   |
|--------------------|-----------------|---------------------|-----------------|
| Creditors          | 30,000          | Bank                | 18,600          |
| Bills payable      | 1,800           | Debtors             | 25,200          |
| General Reserve    | 21,000          | (-) R.D.D.          | 1,200           |
| Capital Accounts : |                 | Stock               | 24,000          |
| Raj                | 54,000          | Building            | 30,600          |
| Rahul              | 48,000          | Plant and Machinery | 60,000          |
| Nitin              | 26,400          |                     | 48,000          |
|                    | <b>1,81,200</b> |                     | <b>1,81,200</b> |

Rahul retired from the business on 1<sup>st</sup> April, 2020 on the following terms :

- (1) The assets were revalued as under :
  - (i) Plant and Machinery is to be depreciated by 10%.
  - (ii) R.D.D. is to be increased upto ₹ 1,500.
  - (iii) Building is appreciated by 10%.
  - (iv) Stock at ₹ 42,000.
- (2) The goodwill of retiring partner is valued at ₹ 12,000 and the remaining partners decided that goodwill be written back in their new profit sharing ratio which will be 5 : 3.
- (3) Amount due to Rahul at the time of retirement is to be transferred to his loan account.

Prepare : (a) Profit and Loss Adjustment Account  
 (b) Partners' Capital Account  
 (c) Balance Sheet of the New firm.

**Q. 3.** Lal, Bal and Pal were partners sharing profits and losses in the ratio of 2 : 2 : 1. The following is the Balance Sheet as on 31st March, 2020. [10]

**Balance Sheet as on 31<sup>st</sup> March, 2020**

| Liabilities        | Amount<br>₹     | Assets              | Amount<br>₹ | Amount<br>₹     |
|--------------------|-----------------|---------------------|-------------|-----------------|
| Capital Accounts : |                 |                     |             |                 |
| Lal                | 60,000          | Machinery           |             | 50,000          |
| Bal                | 20,000          | Investment          |             | 24,000          |
| Pal                | 20,000          | Debtors             | 55,000      |                 |
|                    |                 | (-) R.D.D.          | 3,000       | 52,000          |
| General reserve    | 6,000           | Stock               |             | 20,000          |
| Creditors          | 48,000          | Profit and Loss A/c |             | 18,000          |
| Bills payable      | 14,000          | Bank                |             | 4,000           |
|                    | <b>1,68,000</b> |                     |             | <b>1,68,000</b> |

On the above date the partners decided to dissolve the firm.

(1) Assets were realised as under :

|            |          |
|------------|----------|
| Machinery  | ₹ 45,000 |
| Stock      | ₹ 18,000 |
| Investment | ₹ 21,000 |
| Debtors    | ₹ 45,000 |

(2) Dissolution expenses were ₹ 3,000.

(3) Goodwill of the firm realised ₹ 24,000.

Prepare :

- (a) Realisation Account
- (b) Partners' Capital Account
- (c) Bank Account

## OR

Journalise the following transactions in the books of Mr. Arvind.

- (A) Bank informed that Sam's acceptance for ₹ 30,000 sent to bank for collection has been honoured and bank charges debited ₹ 200.
- (B) Arun informed Arvind that Neena's acceptance for ₹ 25,000 endorsed to Arun has been dishonoured. Noting charges paid by Arun amounted to ₹ 400.
- (C) Bank informed that Jay's acceptance of ₹ 35,000 which was discounted with bank was dishonoured, bank paid noting charges ₹ 500.
- (D) Arvind sold goods to Sagar for ₹ 20,000 on credit and drew a bill for two months on Sagar for the same amount.

(E) Neeta retired her acceptance to Arvind of ₹ 16,500 by paying cash ₹ 16,000.

**Q. 4.** Mohini Company Limited issued 25,000 equity shares of ₹ 100 each payable as follows : [8]

|                          |      |
|--------------------------|------|
| On application           | ₹ 20 |
| On allotment             | ₹ 30 |
| On first call            | ₹ 20 |
| On second and final call | ₹ 30 |

Applications were received for 22,000 equity shares and allotment of shares were made to them.

All money received by the company.

Pass Journal Entries in the books of Mohini Co. Ltd.

**OR**

Write the features of Computerized Accounting System.

**Q. 5.** Suresh, Naresh and Paresh were equal partners. On 31<sup>st</sup> March, 2019 their Balance Sheet was as follows : [8]

**Balance Sheet as on 31<sup>st</sup> March, 2019**

| Liabilities        | Amount<br>(₹)   | Assets            | Amount<br>(₹)   |
|--------------------|-----------------|-------------------|-----------------|
| Capital Accounts : |                 |                   |                 |
| Suresh             | 2,50,000        | Land and Building | 2,00,000        |
| Naresh             | 1,00,000        | Furniture         | 1,50,000        |
| Paresh             | 1,00,000        | Debtors           | 1,50,000        |
| Sundry creditors   | 1,50,000        | Cash              | 1,00,000        |
|                    | <b>6,00,000</b> |                   | <b>6,00,000</b> |

Suresh died on 30<sup>th</sup> June, 2019 and the following adjustments were agreed as :

- (1) Furniture was to be adjusted to its market price of ₹ 1,70,000.
- (2) Land and building was to be depreciated by 10%.
- (3) Provide R.D.D. at 5% on debtors.
- (4) The profit up to the date of death of Suresh is to be calculated on the basis of average profit of last year which was ₹ 90,000.

Prepare :

- (a) Profit and loss adjustment account.
- (b) Partners' capital account.
- (c) Balance sheet of the continuing firm.

**OR**

Convert following Trading and Profit and Loss Account into Vertical Income Statement :

**Trading and Profit and Loss Account**

**Dr. (for the year ended 31<sup>st</sup> March, 2020) Cr.**

| Particulars         | Amount<br>(₹)   | Particulars         | Amount<br>(₹)   |
|---------------------|-----------------|---------------------|-----------------|
| To Opening Stock    | 50,000          | By Sales            | 6,00,000        |
| To Purchases        | 4,50,000        | By Closing stock    | 1,50,000        |
| To Carriage         | 20,000          |                     |                 |
| To Direct expenses  | 30,000          |                     |                 |
| To Wages            | 50,000          |                     |                 |
| To Gross Profit c/d | 1,50,000        |                     |                 |
| <b>Total</b>        | <b>7,50,000</b> |                     | <b>7,50,000</b> |
| To Office expenses  | 62,500          | By Gross profit b/d | 1,50,000        |
| To Finance expenses | 15,000          |                     |                 |
| To Selling expenses | 50,000          |                     |                 |
| To Net profit c/d   | 22,500          |                     |                 |
| <b>Total</b>        | <b>1,50,000</b> |                     | <b>1,50,000</b> |

**Q. 6.** Dr. Anish Korgaonkar started practice of Medical Practitioner on 1<sup>st</sup> April, 2019. He gives you the Receipts and Payments Account for the year ended 31<sup>st</sup> March, 2020 and the adjustments. [12]

Prepare Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2020 and Balance Sheet as on that date :

**Dr. Anish Korgaonkar**

**Receipts and Payments Account**

**Dr. for the year ended 31<sup>st</sup> March, 2020 Cr.**

| <b>Receipts</b>                | <b>Amount<br/>(₹)</b> | <b>Payments</b>       | <b>Amount<br/>(₹)</b> |
|--------------------------------|-----------------------|-----------------------|-----------------------|
| To Cash introduced             | 50,000                | By Furniture          | 16,000                |
| To Visit fees                  | 20,000                | By Equipment          | 20,000                |
| To Receipts from<br>dispensary | 60,000                | By Drugs              | 14,000                |
|                                |                       | By Salaries           | 24,000                |
| To Sundry receipts             | 10,000                | By Rent               | 12,000                |
|                                |                       | By Conveyance         | 8,000                 |
|                                |                       | By Stationery         | 1,000                 |
|                                |                       | By Electrical charges | 10,000                |
|                                |                       | By Journals           | 1,000                 |
|                                |                       | By Drawings           | 30,000                |
|                                |                       | By Balance c/d        | 4,000                 |
|                                | <b>1,40,000</b>       |                       | <b>1,40,000</b>       |

Additional information :

- (1) Receipts in arrears are visit fees ₹ 4,000 and dispensary ₹ 1,000
- (2) Outstanding expenses - Rent ₹ 1,000 and Salaries ₹ 2,000.
- (3) Stock of drugs ₹ 2,000
- (4) Depreciate furniture @ 8% p.a. and equipment ₹ 1,000.
- (5) 40% of the conveyance expenses are for domestic use.

**Q. 7.** Mama and Kaka are partners in partnership firm sharing profits and losses equally. You are required to prepare Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date: [12]

**Trial Balance as on 31<sup>st</sup> March, 2019**

| <b>Debit Balances</b>  | <b>Amount<br/>(₹)</b> | <b>Credit Balances</b>                        | <b>Amount<br/>(₹)</b> |
|--|-----------------------|---|-----------------------|
| Insurance  | 30,000                | Capital Accounts :                            |                       |
| Land and Building<br>(Addition of ₹ 40,000<br>w.e.f. 1st July, 2018) | 1,00,000              | Mama  | 1,00,000              |
|  |                       | Kaka  | 1,00,000              |
| Salaries   | 10,000                | 10% Bank loan<br>(taken on<br>1st Oct., 2018) |                       |
| Export duty  | 5,000                 |   | 60,000                |
| Interest   | 2,000                 | Interest                                      | 3,000                 |
| Furniture  | 80,000                | Bills payable                                 | 16,000                |
| Debtors  | 52,000                |   |                       |
|  | <b>2,79,000</b>       |   | <b>2,79,000</b>       |

Adjustments :

- (1) Gross profit amounted to ₹ 69,000.
- (2) Prepaid insurance ₹ 7,500.
- (3) Depreciate Land and Building at 10% p.a. and Furniture at 5% p.a.
- (4) Write off ₹ 2,000 for bad debts and maintain R.D.D. at 5% on sundry debtors.
- (5) Closing stock is valued at ₹ 69,000.

