


VINAYAK CLASSES
DEGREE & DIPLOMA ENGINEERING

Sub: B.K

Standard: 12th (Comm)
Time : 3 Hours

Model Paper II

Date: 23/11/2018
Total Marks: 80

Q.1 Attempt any THREE of the following sub-questions: (15)

(A) Answer the following questions in 'one' sentence each: (5)

- (1) What do you mean by Freight?
- (2) Write the meaning of Equity Share Capital.
- (3) Which receipts are called 'Revenue Receipts'?
- (4) What is statement of Profit or Loss?
- (5) What do you mean by renewal of bill of exchange?

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

- (1) A partnership agreement between the partners in written form.
- (2) Name of intangible asset having a value.
- (3) Debit balance of an Insolvent Partner's Capital Account.
- (4) The ratio measuring the relationship between net profit and ownership capital employed.
- (5) The person who transfers the ownership of the bill.

(C) Select the most appropriate answer from the alternatives given below and rewrite the sentences: (5)

- (1) If any unrecorded liability is paid on dissolution of the firm Account is debited.
(a) Cash/Bank (b) Realisation (c) Partner's Capital (d) Loan
- (2) In Statement of Profit or Loss, interest of Capital is shown as
(a) addition (b) subtraction (c) partner's Capital (d) multiplied
- (3) The person who draws a bill of exchange is called
(a) payee (b) drawee (c) endorsee (d) trading

(4) Cash proceeds from issue of debentures is a activity.

- (a) financial (b) non-financial (c) operating (d) trading

(5) If a bill is drawn on 3rd July, 2018 for 40 days, its payment must be made on

- (a) 14 th August, 2018 (b) 15 th August, 2018
(c) 13 th August, 2018 (d) 16 th August, 2018

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

- (1) The interest on capital is an income of the firm.
- (2) Retirement of a partner leads to dissolution of the firm unless otherwise agreed upon.
- (3) The rate of interest on debentures is attached to the debentures.
- (4) Every year, 'Balance Vikas Mandir' a primary school, prepares Income and Expenditure Account.
- (5) Discounting means encashment of the bill before its due date.

(E) Prepare a specimen of a Bill of Exchange from the following information (5)

- | | |
|------------------|--|
| (1) Drawee | - Miss Sugata Suryawanshi, 118, Seeta house,
D.N. Phalke Road , Andheri, Mumbai-400 057 |
| (2) Drawer | -Mrs . Pooja Pawaskar, 417, S.J, Road, Arun Bazarr,
Mumbai – 400 054 |
| (3) Payee | - Mrs, Smita Joshi, 24, Janaki Niwas.
Bandra Station Road, Mumbai-400 051. |
| (4) Period | - 90 days |
| (5) Amount | - Rs.52,500 |
| (6) Date of bill | - 17 th April, 2018. |
| (7) Accept for | - Rs.50,000 on 20 th April, 2018. |

Q.2. Following incomplete information is available from the records maintained by Mr. Premnath. (8)

Particular	Amount 1.4.2009	Amount 31.3.2010
Cash Balance	12,000	13,000
Bank Balance	26,000	30,000
Sundry Debtors	20,000	26,000
Stock	24,000	26,000
Furniture	24,000	24,000
Creditors	20,000	20,000
10% Bank Loan	20,000	20,000

Additional Information

1. Mr. Premnath introduced additional capital in the business amounted to Rs.15,000 on 1 st January, 2010.
2. He has paid life insurance premium Rs.10,000 from the business account and withdrawn goods worth Rs.5,000 for his personal use.
3. Write off Rs.1,000 as bad debts and maintain reserve for doubtful debts at 5% on remaining debtors.
4. Provide depreciation at 5% p.a. on furniture.
5. The closing balance of sundry creditors has been overvalued by Rs.2,000 in the books of account.
6. Provide Interest on Capital and Bank Loan @ 10% p.a.

OR

- (A) Write an explanatory note on Return On Investment (ROI). (4)
- (B) State and explain any four objectives of financial statement analysis from business point of view. (4)

- Q.3 Ravina and Pravina are partners in a firm sharing profits and losses in the ratio of 3: 2. Their Balance Sheet as on 31 st March, 2018 was as follows: (10)

Balance Sheet as on 31 st March, 2018

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Sunday Creditors	24,420	Goodwill	55,500
Bank Overdraft	66,600	Land and Building	2,55,300
Bills Payable	44,400	Plant and Machinery	1,99,800
Profit and Loss A/c	55,500	Furnitures and Fixtures	39,960
Capital A/cs:		12% Government Bonds	53,280
Ravina	2,86,380	Bills Receivable	11,100
Pravina	1,90,920	Sundry Debtors	13,320
		Stock in Trade	26,640
		Cash at Bank	13,320
	6,68,220		6,68,220

On 1 st April 2018, Karina was admitted as partner and given $\frac{1}{4}$ the share in future profit on the following terms:

She shall bring Rs.95,000 as her capital. The assets revalued as follows:

Goodwill Rs.62,000, Land and Building Rs.2,61,000 and Furnitures and Fixtures Rs. 34,000. Plant and Machinery is depreciated by 10%. Sundry Creditors of Rs.1,406 is not likely to be claimed. Stock is valued at Rs.24,000.

R.D.D is to be provided at 5% on the debtors.

Pass the necessary journal entries in the books of new firm and prepare Balance Sheet of the new firm.

OR

Following is the Balance Sheet of the firm of Jayashri, Rajashri and Dhanashri who share profits and losses in the ratio of 3 : 2 : 1.

Balance Sheet as on 31 st March, 2018

Liabilities	Amount (Rs)	Amount (Rs)	Assets	Amount (Rs)	Amount (Rs)
Capitals A/cs:			Land and Buildings		2,88,000
Jayashri	2,61,000		Plant and Machinery		2,29,500
Rajashri	1,74,000		Furnitures and Fixtures		55,800
Dhanashri	87,000	5,22,000	Stock in Trade		30,600
Bank Overdraft		45,000	Debtors	19,800	
Sundry Creditors		38,700	Less : R.D.D	900	18,900
Bills payable		27,000	Cash at Bank		28,800
General Reserve		54,000	Profit and Loss A/c		35,100
		6,86,700			6,86,700

Jayashri and retired from the business on 31 st March, 2018 and the following adjustments were agreed:

- (1) Goodwill of the firm is to be valued at Rs.43,200 and Jayshri's share in Goodwill is to be adjusted in the Capital A/cs of continuing partners in their gain ratio.
- (2) The value of Land and Building is to be appreciated by 10%, plant and Machinery is to be depreciated by 10%, Furnitures and Fixtures are to be valued at Rs.49,500 and the stock is to be valued at 90% of its book value.
- (3) R.D.D is to be maintained at 5% on debtors
- (4) The entire capital of the new firm be fixed at Rs.5,40,000 between Rahashri and Dhanashri in their new profit sharing ratio by making adjustment for difference in cash and amount payable to Jayashri and paid in cash.

Prepare: Profit and Loss Adjustment Account, Partners' Capital Accounts and Balance Sheet after retirement of jayshri.

Q.4. Journalize the following transaction the books of Kedarnath. (10)

- a) Badrinath inform Kedarnath that Aloknath's acceptance of 16,000 endorsed to Badrinath has been dishonoured and noting charges amounted to Rs.500.
- b) Somnath renews his acceptances Rs.14,400 to Kedarnath by paying cash Rs.4,400 and accepting a new bill for 2 months for the balance plus interest is 12% p.a.
- c) Vishwantah retired his acceptances for Rs.10,500 to Kedarnath by paying in cash Rs.10,250.
- d) Recovered only 50% of the amount due from the private estate of Ramnath, who declared as insolvent against his bill of Rs.12,500.

Q.5. Rahul, Rohit and Ramesh were partners in a firm sharing profit and losses in the ratio of 2:2:1 respectively. The Balance Sheet as on 31st March, 2013 was as follows: (10)

Balance Sheet as on 31st March, 2013.

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Sundry Creditors	20,000	Cash at Bank	8,000
Bills payable	5,000	Debtors 16,000	50,000
General reserve	6,000	Less : R.D.D 1,000	15,000
Rahul's loan account	16,000	Stock	20,000
Capital Account		Plant and Machinery	30,000
Rahul	25,000	Furniture	6,000
Rohit	10,000	Ramesh's capital account	3,000

The firm was dissolved on the above date:

- 1) Assets realized as follows: Debtors Rs.9,000, Plant and Machinery Rs.26,000, Stock Rs.3,000.
- 2) The creditors were paid Rs.18,000, in full settlement and the bills payable were paid in full.
- 3) The realization expenses amounted to Rs.3,000.
- 4) Ramesh became insolvent and was able to bring in only Rs.1,800 from his private estate.

Prepare: (1) Realization account. (2) Partner's Capital account and (3) Bank Account.

OR

Pacific Finance Co. Ltd., Mumbai issued 60,000 Equity shares of Rs.100 each, payable Rs.30 on application Rs.40 on allotment and balance on the final call. All the shares were fully subscribed and paid except a shareholder Mr. Anand having 5,000 shares could not pay the final call. Mr. Anand paid the call-in-arrears amount together with interest after 3 months of due of final call. Company charged interest on the arrears received as per table 'A'

Pass journal entries to record these transactions assuming the call-in-arrears and interest money received from Mr. Anand in the books of Pacific Finance Co. Ltd. Mumbai. (10)

- Q.6 From the following Balance Sheet and Receipt and Payments Account of Aryan Hospital, Mumbai, prepare an Income and Expenditure Account for 2017-18 and a Balance Sheet as on 31-03-2018: [12]

Dr. Balance Sheet as on April, 2017 Cr.

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Salaries Unpaid	13,500	Cash	37,800
Medicines Bill Unpaid	19,440	Securities	1,62,000
Capital Fund	7,12,350	Furniture	75,600
		Land and Building	3,24,000
		Equipment	1,30,500
		Subscription Due	13,500
		Interest Accrued	1,890
	7,45,290		7,45,290

Dr Receipts and Payments Accounts for the year ended 31 st March, 2018 Cr.

Receipts	Amount (Rs)	Payments	Amount (Rs)
To, cash balance b/f	37,800	By Furniture	36,000
To Subscriptions	75,600	(Purchased on 1-4-17)	
To Interest	5,400	By salaries	57,600
(including Rs.1890 of last		(including Rs.12,000 of last year)	

year)	54,000	By Equipment	24,300
To Donations (Revenue)	54,180	(Purchased on 1-4-17)	
To Life Membership Fees		By Dispensary Expenses	32,400
		By Medicines	21,600
		By taxes	1,080
		By cash Balance c/f	54,000
	2,26,980		2,26,980

Adjustments:

- (1) Capitalise the amount of life membership fees.
- (2) Interest earned but not received is Rs.3,600.
- (3) Subscriptions include Rs.3,600 for 2018-19 and outstanding subscriptions for 2017-18 are Rs.12,780.
- (4) Unpaid salary for the year 2017-18 is Rs.20,250.
- (5) Provide for depreciation on Furniture at 10%, on Land and Buildings at 5% and on Equipment at 10%
- (6) Prepaid taxes are Rs.360.

Q.7 Priya and Pritam are partners sharing profits and losses in the ratio of 3 : 2 respectively. From the following Trial Balance, you are required to prepare Trading and Profit and Loss A/c for the year ended 31 st March, 2018 and Balance Sheet as on that date after taking into consideration the additional information: [15]

Trial Balance as on 31 st March, 2018

Debit Balance	Amount (Rs)	Credit Balance	Amount
Land and building	1,95,600	Capital A/cs :	
Machinery (Addition of 1 St January 2018 Rs. 24,000)	78,000	Priya	2,32,000
Drawings :		Pritam	2,20,800
Priya	18,400	Sales	2,05,600
Pritam	17,600	Sundry Creditors	39,600
		Reserve for Doubtful Debts	2,000

Opening Stock	36,800	Outstanding Expenses	10,000
Wages	20,000	Returns	1,400
Purchases	1,07,600		
Carriage Inwards	2,960		
Office Expenses	17,816		
Rent, Rates and Taxes	17,400		
Insurance	7,584		
Motor Van	96,000		
Salaries	33,400		
Bad debts	2,360		
Debtors	35,680		
Cash at Bank	24,200		
	7,11,400		7,11,400

Additional Information:

- (1) Closing Stock on 31 st March. 2018 was valued at Rs.48,000 which was 20% above its cost.
- (2) Provide 10% p.a. interest on capital. Outstanding expenses: wages : Rs.2,400 and salaries Rs.3,280.
- (3) Change interest on drawings: Priya : 2,400, Pritam : 2,614. Prepaid Insurance is Rs.3,16.
- (4) Depreciate Machinery at 10% p.a and Motor Van Valued at Rs.80,000.
- (5) Goods of Rs.15,000 were sold on 30 th March 2018, but no entry thereof has been made in the sales Bank.

VINAYAK CLASSES