

  
**VINAYAK CLASSES**  
**DEGREE & DIPLOMA ENGINEERING**

Sub: B.K

Standard: 12<sup>th</sup> (Comm)  
Time : 3 Hours

Date: 17/12/18  
Total Marks: 80

Note:

- i. All questions are compulsory.
- ii. Figures to right indicate full marks.
- iii. Answer to every new question must be written on a new page.

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

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

- 1) What is 'trial balance'?
- 2) What is 'qualified acceptance'?
- 3) What is 'capital deficiency'?
- 4) How is gain ratio calculated?
- 5) What is 'retirement of a bill of exchange'?

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

- 1) A person on whom bill is drawn.
- 2) The system of accounting normally suitable for a small business organization
- 3) The assets which are not recorded in the books of accounts.
- 4) Expenses which are paid before they due.
- 5) Debit balance of revaluation account.

**(c) Select the most appropriate alternatives from those given below and rewrite the statements: (5 M)**

- 1) A bill is drawn on 23<sup>rd</sup> Sept, 2013 at 4 month would be payable on \_\_\_\_\_.  
a) 24<sup>th</sup> Jan, 2014                      b) 25<sup>th</sup> Jan, 2014  
c) 26<sup>th</sup> Jan, 2014                      d) 25<sup>th</sup> Jan, 2014
- 2) Capital balance is ascertained by preparing \_\_\_\_\_.  
a) Statement of affairs                b) Cash Account  
c) Drawing Account                    d) Debtor's Account
- 3) If any asset is taken over by the partner from firm his capital A/c will be \_\_\_\_\_.  
a) Credited                                b) debited  
c) added                                    d) none of these
- 4) A cash proceeds from the issue of debentures is a \_\_\_\_\_ activity.  
a) operating                              b) trading  
c) financial                                d) non-financial



- Q.3)** Sharmila and Urmila are partners in a firm sharing profits and losses equally. On 31<sup>st</sup> March, 2012 their Balance sheet was as follows: **(10m)**

Balance Sheet as on 31<sup>st</sup> March, 2012

Liabilities	Amt . Rs.	Assets	Amt. Rs.
Capitals:		Cash in hand	5,000
Sharmila	50,000	Sundry Debtors	30,000
Urmila	40,000	Computer	40,000
Sundry Creditors	35,000	Stock of Goods	42,000
Bills Payable	25,000	Bills Receivable	28,000
Bank Overdraft	15,000	Profit and Loss A/c	20,000
	1,65,000		1,65,000

Nikita is admitted as partner in the firm on 1<sup>st</sup> April, 2012 on the following terms :

- 1) The new profit sharing ratio will be 2 : 1 : 1.
- 2) She shall bring in cash Rs. 25,000 as her capital and Rs. 10,000 for share of goodwill.
- 3) Computer is overvalued by Rs. 5,000 and Stock of goods are undervalued by 20% in the book.
- 4) 10% of debtors are taken as bad.
- 5) 50% of amount of goodwill to be withdrawn by partners.
- 6) The capitals of the partners to be adjusted in their profit sharing ratio by making adjustment in cash.

**Prepare :** (1) Profit and Loss Adjustment A/c  
 (2) Partner's Capital Adjustment A/c  
 (3) New Balance Sheet on the date of admission.

**OR**

- Q.3)** The Balance sheet of Manoj, Sanjay and Vinod as on 31<sup>st</sup> March, 2012 was as follows : **(10m)**

Balance Sheet as on 31<sup>st</sup> March, 2012

Liabilities	Amt . Rs.	Assets	Amt. Rs.
Capitals:		Patents	15,000
Manoj	30,000	Debtors	18,000
Sanjay	10,000	Stock	2,000
Vinod	20,000	Bills Receivable	10,000
Reserve fund	9,000	Cash at bank	27,000
Creditors	3,000		
	72,000		72,000

Vinod died on 1<sup>st</sup> August, 2012 and the following adjustments were agreed:

- 1) 1/5<sup>th</sup> of patent to be written off.
- 2) Unrecorded creditors amounted Rs. 500.
- 3) Stock revalued at Rs. 2,500.
- 4) Allow 12% interest on capital.
- 5) The goodwill of the firm to be valued at 2 years purchase of average profits of last 4 years. The profits were: Rs.24,000 for 2011-12; Rs.18,000 for 2010-11; Rs.22,000 for 2009-10 and Rs.26,000 for 2008-09.
- 6) The deceased partner's share of profit up to the date of his death should be based on the average profit of last 2 years.

**Prepare:** (1) Profit and Loss Adjustments A/c  
 (2) Partner's Capital A/c  
 (3) New Balance Sheet as on date of death.

**Q.4)** Vaidya Sold goods to Sathe for Rs. 5,000 and on the same date drew on Sathe a bill for 2 months. Sathe then accepted the same and returned to Vaidya. Vaidya then endorsed the bill to Joshi. On due date, Joshi informed to Vaidya about dishonoured of bill and noting charges paid by him Rs.50. Vaidya settled Joshi's A/c and drew a fresh bill on Sathe for the amount due plus interest Rs. 100 for one month. The new bill was honoured on that date. Pass Journal entries in the books of Vaidya. **(10m)**

**Q.5)** Ravi and kavi are the partners of the firm sharing profits and losses in the ratio of 2:1. The following is their Balance Sheet. **(10m)**

**Balance Sheet as on 31<sup>st</sup> March, 2012**

<b>Liabilities</b>	<b>Amt . Rs.</b>	<b>Assets</b>	<b>Amt. Rs.</b>
Creditors	27,000	Goodwill	7,000
Loan of Ravi	40,000	Building	1,00,000
Capitals:		Debtors	
Ravi	80,000	25,000	22,000
Kavi	30,000	Less: R. D. D.	38,000
		<u>3,000</u>	5,000
		Stock	5,000
		Bills Receivable	
		Cash at Bank	
	<b>1,77,000</b>		<b>1,77,000</b>

On the above date, Partners decided to dissolve the firm with following conditions:

- 1) Kavi to take over all the stock at book value and assumed to pay off creditors
- 2) Debtors amounting to Rs.20,000 realised Rs.18,000 and rest sold to debt collecting agency at 60% of their book value.
- 3) Building sold for Rs.90,000 and Bills Receivable realized Rs.4,000.
- 4) Dissolution expenses amounted Rs.500.

**Prepare necessary ledgers accounts in the books of the firm.**

**OR**

**Q.5)** Mehta Ltd. Issued Rs.5,00,000 by issue of 10% Debentures of Rs.100 each at a price of Rs.95. The following are the terms of payment :

On Application Rs.50 and On Allotment - Balance Amount

The issue was subscribed fully and all the amount received in full. Pass journal entries to record above transactions in the books of Mehta Ltd. and show the extract of Balance Sheet.

**Q.6)** Following is the Balance Sheet and Receipts and Payment A/c of Students Association. **(12m)**

**Balance Sheet as on 1<sup>st</sup> April, 2011**

<b>Liabilities</b>	<b>Amt. Rs.</b>	<b>Assets</b>	<b>Amt. Rs.</b>
Capital Fund	23,500	Cash in hand	500
Outstanding Expenses:		Cash at bank	3,000
Salaries 300		Subscription receivable	600
Rent 200		6% Investments	10,000
Stationery <u>100</u>	600	Furniture	10,000
	<b>24,100</b>		<b>24,100</b>

**Receipts and Payments A/c for the year ended 31<sup>st</sup> March, 2012**

Receipts	Amt. Rs.	Payments	Amt. Rs.
To Balance B/d		By Rent	2,200
Cash in hand	500	By stationery	1,400
Cash at Bank	3,000	By salaries	3,600
To Entrance fees	750	By furniture repairs	300
To Subscription		By petty expenses	290
2010-11		By honorarium to secretary	1,200
500		By Balance c/d	
2011-12	5,600	Cash in hand	250
7,500	300	Cash at Bank	910
2012-13			
<u>100</u>			
To Special subscription for party			
	<b>10,150</b>		<b>10,150</b>

**Additional information:**

- 1) Rent payable is Rs.400 for the year 2011-12
- 2) Outstanding stationery expenses are Rs. 150
- 3) Subscription yet to be received for 2011-12 is Rs. 1,000
- 4) Entrance fees are to be fully capitalized
- 5) Depreciate furniture @ 5% p.a.

**Prepare : Income and Expenditure A/c for the year ending 31<sup>st</sup> March, 2012 and Balance Sheet as on that date.**

- Q.7) Ajay and Sanjay are partners in a firm sharing profits and losses in the ratio of 2 : 1. From the following Trial Balance and adjustments, you are required to prepare Trading and Profit and Loss A/c for the year ending 31<sup>st</sup> March, 2012 and Balance Sheet as on that date. (15 M)**

**Trial Balance as on 31<sup>st</sup> March, 2012**

Particulars	Debit Rs.	Credit Rs.
Insurance	1,000	-
R. D. D.	-	500
Discount	400	-
Postage and telegram	1,600	-
Salaries	28,000	-
Debtors and Creditors	33,000	34,000
Wages	12,000	-
Opening stock	24,000	-
Carriage	500	-
Return inwards and Outwards	2,800	4,600
Purchases and Sales	96,600	1,50,800
Bank Overdraft	-	60,000
Plant and Machinery	12,000	-
Land and Building	88,000	-
Drawings : Ajay	4,000	-
Vijay	2,000	-
Capitals : Ajay	-	30,000
Vijay	-	26,000

**Adjustments:**

- 1) Closing stock on 31.03.2012 was valued at cost Rs. 28,000 while its market value was Rs. 30,000
- 2) Salaries were outstanding Rs. 1,000
- 3) Goods worth Rs. 2,000 were distributed as free samples
- 4) Depreciate Land and Building @ 5% p.a. and Plant and Machinery @ 10% p.a.  
Write off Rs. 1,000 for bad debts and provide reserve for bad and doubtful debts @ 5% on deb