

(English Version)

- Instructions :
1. At the sub questions of Section - A should be answered continuously at one place
 2. Provide working notes wherever necessary.
 3. 15 minutes extra has been allotted for candidates to read the questions.
 4. Figures in the right hand margin indicates full marks.

SECTION - A

(8 × 1 = 8)

Answer any eight questions. Each question carries 1 mark.

- 1) Give an example for specific donation.
- 2) In order to form a partnership there should be atleast
 - a) one person
 - b) two persons
 - c) seven persons
 - d) none of the above
- 3) State any one method of valuation of goodwill.
- 4) General Reserve is transferred to continuing Partners capital account.
(State True/False)
- 5) Equity shareholders are
 - a) creditors
 - b) owners
 - c) customers of the company
 - d) none of the above
- 6) Expand D.R.R.
- 7) Capital Reserve is shown under _____ head in the Balance Sheet of a company.
- 8) Give any one objective of Financial Statement Analysis.
- 9) Quick ratio is also known as _____.
- 10) What do you mean by cash flows?

SECTION – B

Answer any five questions. Each question carries 2 marks :

(5 × 2 = 10)

- 11) What is not for profit organisation?
- 12) State any two features of partnership.
- 13) Goodwill of the firm is valued at two years purchase of average profits of last 4 years. The total profits for the last 4 years are ₹ 80,000. Calculate the Goodwill of the firm.
- 14) Give the journal entry for assets taken over by a partner on dissolution of firm.
- 15) Mention any two features of company.
- 16) Write any two limitations of Financial Statements.
- 17) List any two tools of Financial Statement Analysis.
- 18) What do you mean by investing activities?

SECTION – C

Answer any four questions. Each question carries 6 marks :

(4 × 6 = 24)

- 19) Anil and Sunil are partners, started business on 1.4.2017. They share profits and losses equally. They invested capital ₹ 2,00,000 and ₹ 1,60,000 respectively. For the year ended 31.3.2018, they earned a profit of ₹ 80,400 before following adjustments :
 - a) Interest on capital at 10% p.a
 - b) Interest on drawing Anil – ₹ 2,000 Sunil – ₹ 1,600
 - c) Annual salary payable to Anil – ₹ 6,000
 - d) Annual commission payable to Sunil ₹ 4,000Prepare Profit and loss appropriation account for the year ended 31.3.2018.
- 20) Anur, Varun and Kiran are equal partners in a partnership firm. Varun retires from the firm. Anur and Kiran decided to share the profits in future in the ratio of 4:3.
Calculate gain ratio.

21) Mahesh, Mohan and Naresh are partners sharing profits and losses in the ratio of 2:2:1. Their capitals on 1.4.2017 was ₹ 1,00,000, ₹ 80,000 and ₹ 50,000 respectively. Mahesh died on 1.10.2017 and the partnership deed provides the following:

- Interest on capital at 10% p.a.
- Mahesh entitles for a monthly salary of ₹ 4,000.
- Mahesh's share of goodwill. The total goodwill of the firm is ₹ 50,000.
- His share of profit upto the date of death, on the basis of previous year's profit. Previous year's profit is ₹ 20,000.

Prepare Mahesh's Executors Account.

22) Sunlight Ltd., issued 20,000, 10% Debentures of ₹ 100 each payable ₹ 10 per debenture on application, ₹ 40 per debenture on allotment, ₹ 50 per debenture on first and final call.

All the debentures were subscribed and money duly received.

Pass the journal entries in the books of the company.

23) Following information is related to Akash Ltd.,

Particulars	₹
Revenue from operation	5,00,000
Purchases	3,00,000
Salary	10,000
Depreciation	8,000
Interest on loan	5,000
Income tax	54,000

Prepare statement of profit or loss for the year ended 31.3.2017 as per Schedule III of Company Act 2013.

24) Calculate current ratio and Quick ratio from the following information:

Particulars	₹
Trade receivables	50,000
Inventory	30,000
Prepaid expenses	5,000
Cash	25,000
Creditors	60,000
Bank overdraft	5,000
Bills payable	25,000

25) The following is the statement of Profit and loss of Moon Ltd.
Statement of Profit or loss for the year ended 31.3.2017

Particulars	Note	₹
I Revenue from operations		8,00,000
II Expenses		
Cost of materials consumed		1,00,000
Purchases		4,00,000
Other expenses		2,00,000
III Total expenses		7,00,000
IV Profit before tax (PBT)		1,00,000

Additional information :

- Trade receivable decreased by ₹ 20,000 during the year.
- Prepaid expenses increased by ₹ 4,000 during the year.
- Trade payable increased by ₹ 10,000 during the year.
- Outstanding expenses increased by ₹ 1,000 during the year.
- Other expenses includes depreciation ₹ 20,000.

Compute Net cash flow from operations for the year ended 31.3.2017 by indirect method

SECTION – D

Answer any four questions. Each question carries 12 marks : (4 × 12 = 48)

26) The following is the Balance Sheet and Receipts and payments account of Karavali Sports club, Karwar

Balance Sheet as on 1.4.2017

Liabilities	₹	Assets	₹
Outstanding Salary	5,000	Cash at Bank	15,000
Capital fund	64,000	Outstanding subscription	2,000
		Sports material	30,000
		Furniture	22,000
	<u>69,000</u>		<u>69,000</u>

Receipts and payments account for the year ended 31.3.2018

Dr.			Cr.
Receipts	₹	Payments	₹
To Balance b/d	15,000	By Salary	22,000
To Subscription	70,000	By Purchase of sports material	10,000
To Entrance fee	10,000	By Investment	30,000
To Sale of Old Sports material	2,000	By Fixed deposit	20,000
To Sale of Old Newspaper	500	By Postage	1,500
To Rent	15,000	By Lighting charges	2,000
		By Balance b/d	27,300
	<u>1,12,800</u>		<u>1,12,800</u>

Adjustments :

- Subscriptions outstanding for the year 2017-18 is ₹ 5,000.
- Subscriptions received in advance for 2018-19 ₹ 2,000.
- Depreciate sports materials by ₹ 8,000
- Outstanding salary for 2017-18 ₹ 4,000
- Capitalize 1/2 of the entrance fees.

Prepare :

- Income and Expenditure account for the year ended 31.3.2018
- Balance Sheet as on 31.3.2018.

- 27) Anand and Vinod are partners in a firm, sharing Profit and losses in the ratio of 3:2. Their Balance Sheet as on 31.3.2017 was as follows :

Balance Sheet as on 31.3.2017				
Liabilities	₹	Assets	₹	
Creditors	15,000	Cash at bank	10,000	
Bills payable	10,000	Debtors	30,000	
Reserve	5,000	Less : PDD	3,000	27,000
Capital :		Stock		43,000
Anand	1,00,000	Building		80,000
Vinod	80,000	Furniture		50,000
	<u>2,10,000</u>			<u>2,10,000</u>

On 1.4.2017 Pramod admitted into partnership on the following terms:-

- He should bring ₹ 50,000 as capital and ₹ 20,000 towards goodwill for 1/5 share of profit in future.
- Depreciate Furniture at 10% p.a. and increase building by 20% p.a.
- Provision for doubtful debts increased by ₹ 3,000.
- Goodwill is to be withdrawn by the old partners.

Prepare:

- Revaluation account
- Partners capital account
- Balance Sheet of the firm after admission.

- 28) Vinay, Valbhav and Naveen are partners in a firm, sharing Profit and losses in the ratio of 3:2:1 respectively. Their Balance Sheet as on 31.3.2018 was as under

Balance Sheet as on 31.3.2018

Liabilities	₹	Assets	₹
Creditors	40,000	Cash at bank	15,000
Bills payable	10,000	Debtors	50,000
Naveen's loan	12,000	Stock	60,000
General Reserve	6,000	Furniture	28,000
Capital:		Machinery	45,000
Vinay	60,000	Building	50,000
Valbhav	40,000		
Naveen	40,000		
	<u>2,48,000</u>		<u>2,48,000</u>

The firm was dissolved on 31.3.2019. The assets realised as under:-

- Debtors realised 10% less than book value, stock realised 15% more than book value. Building realised ₹ 60,000.
- Creditors and Bills payable were paid in full.

- c) Furniture was taken over by Vinay for ₹ 25,000
- d) Machinery was taken over by Vabhira for ₹ 40,000
- e) Dividend distribution amounted to ₹ 3,000

Prepare

- i) Realisation Account
- ii) Partners capital account
- iii) Bank account.

29) Murdeshwar Tiles Ltd., issued 60,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The amount payable was as under :

- ₹ 2 on application
- ₹ 6 on allotment (including premium)
- ₹ 4 on First and final call.

All the shares were subscribed and the money was duly received except first and final call on 5000 shares. The Directors forfeited these shares and reissued them as fully paid up at ₹ 7 per share.

Pass the journal entries regarding issue, forfeiture and re-issue of forfeited shares.

30) Sahyadri Ltd., issued 5000 12% Debentures of ₹ 100 each on 1.4.2017 at a discount of 10% redeemable at a premium of 10%

Give journal entries relating to the issue of debentures and debenture interest for the year ending 31.3.2018 assuming that interest was paid half yearly on 30th September and 31st March. Tax deducted at source is 10%.

- 31) The following are the Balance Sheets of Sarada Ltd. for 31.3.2017 and 31.3.2018.

Particulars	31.3.2017	31.3.2018
I. Equity and Liabilities		
Share capital	8,00,000	10,50,000
General Reserve	1,00,000	1,20,000
Secured loan	30,000	20,000
Current liabilities	1,00,000	1,60,000
Total	10,30,000	13,50,000
II Assets		
Building	4,00,000	5,00,000
Non current investment	3,00,000	4,00,000
Stock	2,00,000	1,80,000
Trade receivable	1,30,000	2,20,000
Total	10,30,000	13,00,000

Prepare Comparative Balance Sheet

- 32) The following are the Summarised Profit and loss a/c for the year ended 31.3.2018 and Balance Sheet as on that date

Trading and Profit and loss a/c for the year ended 31.3.2018

Dr	Particulars	Cr.
	Particulars	£
To Opening stock	40,000 By Sales	4,00,000
To Purchases	2,10,000 By Closing stock	50,000
To Gross profit	2,00,000	
	<u>4,50,000</u>	<u>4,50,000</u>
To Administrative expenses	50,000 By Gross profit	2,00,000
To Interest	30,000	
To Selling expenses	40,000	
To Net profit	1,80,000	
	<u>2,00,000</u>	<u>2,00,000</u>

Balance Sheet as on 31.3.2016

Liabilities	Assets
Capital	2,00,000
Profit and Loss	1,00,000
Trade Payable	1,00,000
Gross Profit	50,000
Stock	50,000
Debtors	50,000
Trade Receivable	50,000
Cash at bank	50,000
6,40,000	6,40,000

Calculate :

- Inventory turnover ratio
- Trade receivable turnover ratio
- Trade payable turnover ratio
- Gross profit ratio
- Net profit ratio
- Operating ratio

SECTION - E

(Practical Oriented Questions)

Answer any two questions. Each question carries 5 marks

(2 × 5 = 10)

33) How do you treat the following in the absence of partnership deed?

- Sharing of profit
- Interest on capital
- Interest on drawing
- Interest on advances from partners
- Remuneration to partners for firms work

34) Write the pro-forma of Balance Sheet of a company with main heads only.

35) Write the pro-forma of cash flows from operating activities under Direct Method.