

**Karnataka Sangha's
MANJUNATHA COLLEGE OF COMMERCE &
JUNIOR COLLEGE OF COMMERCE**

Preliminary Exam- I

Subject: Book-Keeping & Accountancy

Date: 12.12.2019

Class: S.Y.J.C

Time: 3 Hrs

Marks: 80

- Q.1 Attempt **Any Three** of the following Sub-Question: 15
- A) Answer the following in one sentence each: 5
1. What do you mean by 'Carriage Inward'?
 2. What is due date of a bill?
 3. What is deficit?
 4. What do you mean by Sacrifice ratio?
 5. Which statement is prepared under single entry system to ascertain profit?
- B) Write a Word/ Term/ Phrase which can substitute each of the following statement: 5
1. The debit balance of trading account.
 2. The excess of total assets over total liabilities of a not for profit concern.
 3. Expenses incurred on dissolution of a partnership firm.
 4. Transfer of title of bill from a debtor to a creditor.
 5. The statement showing profitability of a two different periods and its percentage change.
- C) Select the most appropriate alternative from those given below and rewrite the statements: 5
1. When shares are forfeited, share capital account is _____.
a) Debited b) Credited c) Adjusted d) None of these
 2. A bill drawn and accepted on 23rd November, 2012 for two months will be payable on _____.
a) 23rd January, 2012 b) 23rd January, 2013
c) 25th January, 2013 d) 26th January 2013
 3. If the opening capital is Rs.80000 closing capital Rs.180000 withdraws are Rs.10000 and additional capital brought in is Rs.20000 the profit will be Rs. _____.
a) 90000 b) 110000 c) 70000 d) 150000
 4. Assets and liabilities are transferred to Realization account at their _____ value.
a) Market b) Purchase c) Sale d) Book
 5. Share of profit of a deceased partner till the date of this death is _____.
a) Debited to profit and loss adjustment account
b) Credited to profit and loss adjustment account
c) Debited to profit and loss suspense account
d) Credited to profit and loss suspense account
- D) State whether the following statements are True OR False: 5
1. Honour of bill means payment in accordance with the apparent honour of the bill.
 2. The issue of debenture more than the face value is termed as issue of debenture at par.
 3. Return inward is deducted from purchase.
 4. Ratio analysis is useful for inter-firm comparison.
 5. Renewal is a request by drawee to cancel the old bill and draw a new bill by extending the credit period.
- E) Prepare a specimen of bill of Exchange from the following information: 5
1. Drawer: Ramesh Mishra, L.B.S. Road, Ghatkopar Mumbai.
 2. Drawee: Nandkumar Sharma, Laxmi Road, Pune
 3. Payee : Rupesh Kumar Pande, Rajkamal Chowk, Amravati
 4. Period of Bill : 90 days
 5. Amount of Bill : Rs.25000
 6. Date of Bill : 17th February, 2014
 7. Date of Acceptance : 20th February 2014
 8. Accepted for –Rs.20000 only

- Q.2 Mr. Keshav keeps his books on single entry system and disclosed the following information of his business: 8

Particulars	1/4/12	31/3/13
Investment	-	30000
Bills payable	-	18000
Creditors	52500	69000
Furniture	15000	45000
Debtors	60000	90000
Stock in Trade	30000	37500
Cash at Bank	36000	54000

Additional information:

1. Mr. Keshav transferred Rs.3000 p.m. during the first half year and Rs.2000 p.m. for the second half year from business account to his personal account.
2. He also took goods worth Rs.7000 for private use.
3. He sold his private asset for Rs.27000 and brought the proceeds into his business.
4. Furniture to be depreciated by 10%
5. Provide R.D.D. at 5% on debtors

Prepare i) Opening Statement

Affairs ii) Closing statement

Affairs iii) Statement of profit and loss for the ended 31st March 2013.

OR

- Q.2 A) What are the different 'Cash in Flows' and 'Cash out Flows' of operating activity: 4
- B) State and explain any 'Four objectives of financial statement analysis from business point of view. 4

- Q.3 Mrs. Snehal and Mrs. Meenal are equal partners in a business their balance sheet is as follows: 10
- Balance sheet is as on 31st March 2013

Liabilities	Rs.	Asset	Rs.
Capital A/c		Premises	20500
Snehal	80000	Investment	10500
Meenal	45000	Equipments	5000
Creditors	46000	Bills receivable	18000
General	20000	Debtor 110000	
Reserve		(-) R.D.D 11000	99000
		Bank Balance	38000
	191000		191000

They agreed to admit Mrs. Komal on 1st April 2013 on the following terms.

1. Komal should bring Rs.50000 towards her capital for $\frac{1}{4}$ share in future profit.
2. Goodwill to be raised in the books of the firm for Rs.40000.
3. R.D.D. to be maintained at 5% at debtors.
4. Premises to be valued at Rs.30000 and equipment to be written off fully.
5. Creditors allowed a discount of Rs.1000 and they were paid off immediately.

OR

- Q.3 Pravin, Prakash and Paresh were partners sharing profit and losses in the firm on to their capitals. Their balance sheet of the firm on 31st March 2013 was as under. 10
- Balance Sheet as on 31st March 2013.

Liabilities	Rs	Asset	Rs.
Capital A/c		Land And	
Pravin	60000	Building	80000
Prakash	40000	Investment	40000
Paresh	20000	Debtor 32000	
Creditors	56000	(-) R.D.D. 4000	28000
Reserve	36000	Stock	36000
Fund		Cash	28000
	212000		212000

Paresh died on 1st August,2013 and the following adjustments were made:

1. Assets were realized as – Land and Building Rs.88000 Investment Rs.36000 and Stock Rs.34000
2. All Debtors were good.
3. Goodwill of the firm valued at two times the average profit of the last 4 years profit.
4. Paresh's shares of profit up to his death to be calculated on the basis of average profit of the last two years.
5. Profits for the last four years were : Rs.12000, Rs.24000, Rs.14000 and Rs.22000

Prepare: i) Profit and loss Adjustment account

ii) Paresh's capital Account showing the amount payable to his executor

iii) Give working of Paresh's share in Goodwill and profit.

- Q.4 Journalize the following transactions in the books of Kedarnath: 10
- A) Badrinath informs Kedarnath that Alok Nath's acceptance of Rs.16000 endorsed to Badrinath has been dishonored and noting charges amounted to Rs.500.
- B) Somnath renews his acceptance of Rs.14,400 to Kedarnath by paying cash Rs.4,400 and accepting a new bill for 2 months for the balance plus interest @ 12% p.a.
- C) Vishwanath retired to Kedarnath his acceptance for Rs.10500 to Kedarnath by paying in cash Rs.10250.

- D) Recovered only 50% of the amount due from the private estate of Ramnath who declared as solvent against his bill of Rs.12500.

- Q.5 Devendra and Ganesh were partners sharing profit and loss in the ratio 3:2. They dissolve the partnership firm on 31st March 2013, when their position was as follows: 10

Balance Sheet as on 31.03.2013

Liabilities	Rs	Asset	Rs.
Sundry		Debtor 56250	
Creditors	12500	(-) R.D.D. <u>6250</u>	50000
Bank	10000	Stock	112500
Overdraft		Furniture	25000
Reserve Fund	15000	Motorcar	37500
Capital A/c		Cash in hand	2500
Devendra	115000		
Ganesh	75000		
	227500		227500

The Assets realized as follows:

- Debtors Rs. 45000, Stock Rs.100000 and goodwill Rs.12500.
- Motorcar was taken over by Devendra for Rs.35000 and Furniture by Ganesh for Rs.3000.
- The Creditors were paid Rs.11250 in full settlement.
- The realization expenses were Rs.5000.

Pass necessary journal entries in the books the firm

OR

- Q.5 Khadelwal co. ltd made an issue of 40000 equity share of Rs.20 each payable as follows:

Application Rs.5 per share

Allotment Rs.10 per share

First Call : Rs.3 per share

Second and final Call : Rs.2 per share

The company received application for 45000 shares of which applications for 5000 shares were rejected and the money refunded.

All the shareholders paid upto second call except sachin, the allottee of 2000 shares, failed to pay final call.

Pass journal entries for the above transactions in the books of khandelwal Co.Ltd.

- Q.6 Following is the Receipt and Payment Account of chamber of commerce, Amravati for the year ending 31st March 2012 and Some additional information: 12

Receipt & Payment Account for the year ended 31/3/12

Receipt	Rs.	Payment	Rs.
To balance bld		By printing & Stationary	6950
(Cash at bank)	11960	By repairs	2100
ID Subscription		By Rents	8500
(including Rs.2500 for 2010-11)	36500	By Books	20000
TO sale of furniture		By Travelling Expenses	2000
(Book value Rs.18000)	12000	By investment	40000
To donation for building fund	27000	By insurance	1700
TO Admission fee	5050	By balance c/d	11260
(Revenue)		Cash in bank	
	92510		92510

Additional Information:

Particulars	1/4/11	31/3/12
Outstanding Subscription	3000	5000
Furniture	32000	12600
Building Fund	45000	
Capital Fund	151960	
Investment	250000	

Prepare Income and Expenditure A/c for the year ended 31st March 2012 and Balance sheet as on that date.

- Q.7 Miss Meena and Miss Reena are in partnership sharing profit and losses in the ratio of 3:2. From the following trial balance and adjustments, you are required to prepare Trading Account, Profit and loss Accounts for the year ended 31st March 2013 and Balance Sheet as on that date

Trial Balance as in 31/03/13

Particulars	Rs.	Particulars	Rs.
Building	400000	Capital A/c	
Plant & Machinery	120000	Meena	300000
Purchases	650000	Reena	200000
Carriage	7000	Sales	814000
Opening Stock	90000	Sundry Creditors	180000
Wages	35000	Bank Overdraft	20000
Sundry Debtors	150000		
Salaries	28000		
Postage & Telegram	4000		
Insurance	5000		
Bad Debts	3000		
Rent	4000		
Discount	3000		
Drawings			
Meena	10000		
Reena	5000		
	1514000		1514000

Adjustment:

1. Stock on hand on 31st March, 2013 was valued at Rs.110000.
2. Depreciate plant and Machinery @ 10% p.a.
3. Create R.D.D. 5% on sundry debtors
4. Salaries include Rs.2500 as advance to workers.
5. Partners are allowed interest at 5% p.a. on their capitals.
