

**Preliminary I Examination 2016-17**

**Marks: 80**  
**Durations: 3 Hrs**

**Q.1 Attempt any three of the following sub questions:**

- Q.2.** Mr.Raju keeps his books on single entry system and disclosed the following information of his business.

(8)

Additional Information:

- 1) Mr.Raju transferred Rs. 300 per month during first half year and Rs. 200 each for the remaining period from his business to his personal account. He also took goods of Rs. 700 for private use.
- 2) Mr.Raju sold his personal asset for Rs. 7,000 and brought the proceeds into his business.
- 3) Furniture to be depreciated by 10%.
- 4) Provide R.D.D. 5% on Debtors.

Prepare Opening and closing statement affairs and statement of profit or loss for the year ended 31<sup>st</sup> March 2016.

- A.

What are the Components of current Ratio?

(4)
- B.

Explain Return on Investment [ROI] ?

(4)

**Q.3.** Ajay and Atul were partners and shared profits and losses in the ratio of 315 and 215 on 31<sup>st</sup> March 2016 their Balance sheet is on follows: (10)

Balance sheet as on 31<sup>st</sup> March 2016

Liabilities	Amt ( Rs)	Assets	Amt ( Rs)
Sundry Creditors	60,000	Cash at Bank	1,000
General Reserve	20,000	Debtors	90,000
<u>Capital A/c:</u>		(-) R.D.D	<u>1,000</u>
Ajay	1,44,000	Stock	34,000
Atul	96,000	Investments	48,000
		Plant	60,000
		Building	88,000
	<u>3,20,000</u>		<u>3,20,000</u>

On 1<sup>st</sup> April 2016 Ashok was admitted to partnership on the following terms:

- 1) He should bring Rs. 42,000 as his Capital.
- 2) Valuation of the goodwill of the firm to be made twice the average profit of last 3 years. The profit were Rs. 48,000, Rs.52,000 and Rs.80,000 respectively. Ashok was unable to bring the goodwill in cash and hence goodwill was raised in the books of the firm.
- 3) Before admitting Ashok, R.D.D was to be raised upto Rs.2,000
- 4) Closing stock was to be valued at Rs.32,000
- 5) Half of plant was taken by Ajay at book value
- 6) Provide depreciation on Building at 5% p.a.
- 7) Goodwill written off after the admission in the new ratio ie.5:3:2

Prepare Profit and Loss Adjustment A/c, Capital A/c of partners and Balance sheet of the new firm.

OR

Shedge,Mayekar and Raut were partners sharing profit and losses in the ratio of 4:3:3 their Balance sheet On 31<sup>st</sup> March 2016 was as given below

Balance sheet as on 31<sup>st</sup> March 2016

Liabilities	Amt ( Rs)	Assets	Amt ( Rs)
<u>Capitals:</u>		Furniture	4,200
Shedge	15,000	Stock	
Mayekar	10,000	Debtors	13,000
Raut	10,000	Bills Receivable	10,000
Creditors	8,000	Cash / Bank	18,000
Bank Overdraft	10,000	Profit & Loss A/c ( loss)	2,000
			5,800
	<u>53,000</u>		<u>53,000</u>

Raut retired from the business on above date and it was agreed that the amount due to Raut to be paid immediately by availing overdraft facility.

- 1) His share of goodwill was raised at Rs. 3,500
- 2) Revalue furniture Rs. 4000 and stock Rs. 16,000
- 3) Create R.D.D at 5% on Debtors.
- 4) Make provision for outstanding printing bill Rs.6,000

Prepare Profit & loss adjustment A/c, capital A/c and Balance sheet of continuing partners assuming that goodwill is written off by the continuing partners.

**Q.4.** Journalize the following bill transactions in the books of Gopal as on 14<sup>th</sup> August 2010. (10)

- 1) Shruti's acceptance to Gopal Rs. 4,500 retired one month before due date at rebate 10% p.a.
- 2) Discounted 3 months acceptance of Chandrakant for Rs. 3,500 with bank @ 12% p.a.
- 3) Received cheque Rs. 2,000 and 2 months acceptance drawn on Sushma for Rs. 10,000 for the balance due on her account.
- 4) Endorsed Shantaram's acceptance at 2 months of Rs. 5,000 in favour of Bablu and paid cash Rs. 2,500 in full settlement of this account Rs. 7,800.
- 5) Sold goods of Rs. 13,500 on credit to Nanda. Drew 2 months bill on her. Which is fully accepted & returned by her.

**Q.5.** Pannalal, Babulal and Hiralal are partners sharing Profit and loss in the proportion of 2:2:1, following is their Balance sheet as on 31<sup>st</sup> March 2016. (10)

**Balance sheet as on 31<sup>st</sup> March 2016**

Liabilities	Amt (Rs)	Assets	Amt (Rs)
Capital A/c:		Machinery	25,000
Pannalal	30,000	Stock	10,000
Babulal	10,000	Debtors	27,500
Hiralal	10,000	(-) R.D.D	<u>1,500</u>
General Reserve	3,000	Investment	12,000
Creditors	20,000	Profit & loss A/c	9,000
Pannalal's loan A/c	4,000	Bank	2,000
Bills Payable	7,000		
	<u>84,000</u>		<u>84,000</u>

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

- 1) Assets were realized: Machinery Rs. 22,500, Stock Rs. 9,000, Investment Rs. 10,500, Debtors Rs. 22,500
- 2) Dissolution expenses were Rs. 1,500
- 3) Goodwill of the firm realized Rs. 12,000

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

**OR**

Hindusthan Petroleum Ltd, invited application for 40,000 Equity shares of Rs. 100 each payable as under including 20% premium:

On Application : Rs. 30                      On allotment : Rs. 40 (including premium)

On First call : Rs. 20                      On Final call : Rs. 30

All the shares were applied for and also allotted. One shareholder who was allotted 500 shares failed to pay first and final call.

Record the above transactions in the journal of the company.

**Q.6.** From the following information given below of Jeevan Vikas Vidyalaya Khamgaon. You are required to prepare, Income and Expenditure Account and Balance sheet for the year ending on 31-03-2016. (12)

**Balance sheet as on 31<sup>st</sup> March 2016**

Liabilities	Amt (Rs)	Assets	Amt (Rs)
Capital fund	4,99,100	Library books	1,15,500
Loan	5,00,000	Laboratory Equipments	1,25,000
		Furniture	1,10,000
		Building	6,25,000
		Cash in Hand	3,500
		Cash at Bank	20,100
	<u>9,99,100</u>		<u>9,99,100</u>

**Receipts and payments Account for the year ending 31-03-2016**

Receipts	Amt (Rs)	Payments	Amt (Rs)
To Balance b/d		By Salaries	6,25,200
Cash in hand	3,500	By Purchases	
Cash at bank	20,100	(i) Laboratory Equipments	10,000
To tuition fees	3,67,500	(ii) Library Books	50,000
To term fees	35,000	(iii) Furniture	20,000
To admission fees	30,600	By Sundry Expenses	10,000
To Government Grant (Revenue)	3,50,000	By printing & stationary	35,800
To Sundry Receipts	1300	By annual Social Gathering Expenses	18,000
		By Balance c/d	
		Cash in hand	4,000
		Cash at Bank	35,000
	<u>8,08,000</u>		<u>8,08,000</u>

**Adjustments:**

- 1) Tuition Fees Outstanding Rs. 13,500
- 2) Outstanding Interest on Loan Rs. 60,000
- 3) Entire admission fees are to be capitalized.
- 4) Depreciation is to be written off as under:  
Library books Rs. 50,000      Furniture Rs. 30,000  
Laboratory EquipmentsRs. 20,000      Building Rs. 30,000

**Q.7.** From the following Trial Balance of M/S Sharma and Varma, You are required to prepare a Trading and Profit and loss Account for the year ended 31<sup>st</sup> March 2016 and Balance sheet as on that date after taking into consideration the additional information given below. Partners share profit & losses in their capital ratio. **(15)**

**Trial Balance as on 31<sup>st</sup> March 2016**

Debit Balance	Amt ( Rs)	Credit Balance	Amt ( Rs)
Stock on 1-4-2015	28,000	<u>Capital A/c:</u>	
Purchases	1,75,000	Sharma	90,000
Salaries	17,500	Varma	60,000
Unproductive wages	1,800	Sundry creditors	30,000
Carriage	1,200	Rent Received	3,500
Royalties	2,500	Bank Overdraft	24,500
Freight	1,400	Sales	2,26,750
Printing & Stationary	2,100		
Sundry Debtors	40,000		
Furniture	20,000		
Leasehold property	95,000		
Investment	35,000		
travelling Expenses	1,750		
Advertisement (For 3 yrs)	4,275		
Bad debts	1,425		
Discount allowed	800		
Cash in hand	7,000		
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	4,34,750		4,34,750

**Additional Information:**

- 1) Stock on hand on 31<sup>st</sup> March 2016 was at cost Rs. 38,000
- 2) Provide R.D.D at 5% on Sundry Debtors and Reserve for discount on debtors at 3%.
- 3) Goods worth Rs. 5,000 destroyed by fire and Insurance company admitted a claim of Rs. 4,300
- 4) Rent of Rs.800 is still receivable from the tenant
- 5) Depreciate furniture at 12% p.a.

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