# Karnataka Sangha's Junior College of Commerce, Thakurli (East) <br> Preliminary I Examination 2016-17 

Class: S.Y.J.C
Book keeping \& Accountancy
Date: 7/1/2017

Marks: 80<br>Durations: 3 Hrs

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

(15)
A. Answer the following questions in 'one' sentence each.

1. What is Partnership deed?
2. What is Sacrifice ratio ?
3. What is deficit?
4. What is the due date of a bill?
5. Who is the drawer?
B. Write a word/ term/ phrase which can substitute each of the following statements:
6. Winding up of partnership business.
7. A statement similar to Balance sheet.
8. Encashment of the bill before its due date.
9. An asset which can be converted into cash immediately.
10. The debit balance of trading Account.
C. Select the most appropriate alternative from those given below and rewrite the statement.
11. New ratio= Balance ratio x $\qquad$
a) Old ratio
c) Gain ratio
b) Sacrifice ratio
d) Capital ratio
$\qquad$ account .
12. Revaluation $\mathrm{A} / \mathrm{c}$ is also known as
a) Profit \& loss
c) Capital
b) Profit \& loss Adjustment
d) Current
13. Decreased partner's legal representatives loan $A / c$ is shown in the Balance sheet on
$\qquad$ side.
a) Liabilities
c) Credit
b) Assets
d) Debit
14. Assets and liabilities are transferred to Realization $\mathrm{A} / \mathrm{c}$ at their $\qquad$ values.
a) Market
c) Sale
b) Purchase
d) Book
15. A sum of money goods or any asset, given to someone voluntarily, without any compensation is called
a) Subscription
c) Legacy
b) Donation
d) capital fund
D. State whether the following statements are True or False:
16. Balance sheet is an account of business result.
17. Dissolution takes place when the relation among the partners comes to an end.
18. Income and Expenditure Account is a real account .
19. Single Entry System is incomplete form of double entry.
20. A bill of exchange can be endorsed only once.
E. Prepare a format of a bill of a exchange from the following details:

Drawer: Vijay Bhat, Main Road, Nagpur-
Drawee: Ashok Kulkarni, M.G. Road, Nagpur
Payee: Anil Jadhav, Pune.
Amount : Rs. 6,950
Period: 80 days
Date of Bill: $7^{\text {th }}$ March 2016
Accepted on : $10^{\text {th }}$ March 2016
Q.2. Mr.Raju keeps his books on single entry system and disclosed the following information of his business.

| Particulars | $\mathbf{0 1 - 0 4 - 2 0 1 0}$ | $\mathbf{3 1 - 0 3 - 2 0 1 1}$ |
| :--- | :--- | :--- |
| Investments | - | 30,000 |
| Bills Payable | - | 18,000 |
| Creditors | 52,500 | 69,000 |
| Furniture | 15,000 | 15,000 |
| Debtors | 60,000 | 90,000 |
| Stock in trade | 30,000 | 37,500 |
| Cash at Bank | 36,000 | 54,000 |

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 $31^{\text {st }}$ March 2016.
A.

OR
What are the Components of current Ratio?
B.

Explain Return on Investment [ROI] ?
Q.3. Ajay and Atul were partners and shared profits and losses in the ratio of 315 and 215 on $31^{\text {st }}$

March 2016 their Balance sheet is on follows:
Balance sheet as on $31^{\text {st }}$ March 2016

| Liabilities | Amt <br> ( Rs) | Assets |  | Amt ( Rs) |
| :--- | :--- | :--- | ---: | :--- |
| Sundry Creditors | 60,000 | Cash at Bank |  | 1,000 |
| General Reserve | 20,000 | Debtors | 90,000 |  |
| Capital A/c: |  | (-) R.D.D | $\underline{1,000}$ | 89,000 |
| Ajay | $1,44,000$ | Stock |  | 34,000 |
| Atul | 96,000 | Investments |  | 48,000 |
|  |  | Plant |  | 60,000 |
|  |  | Building |  | 88,000 |
|  | $\underline{3,20,000}$ |  |  |  |

On $1^{\text {st }}$ 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 ${ }^{\text {st }}$ March 2016 was as given below

## Balance sheet as on $31{ }^{\text {st }}$ March 2016

| Liabilities | Amt <br> ( Rs) | Assets | Amt <br> ( Rs) |
| :--- | :--- | :--- | :--- |
| Capitals: |  | 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 |
|  | $\underline{53,000}$ |  | $\underline{53,000}$ |

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 $14^{\text {th }}$ August 2010.

1) Shruti'sacceptance to GopalRs. 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 dully 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 $31^{\text {st }}$ March 2016.

## Balance sheet as on $31{ }^{\text {st }}$ March 2016

| Liabilities | Amt <br> (Rs) | Assets | Amt <br> (Rs) |  |
| :--- | :--- | :--- | ---: | :--- |
| Capital A/c: | 30,000 | Machinery |  | 25,000 |
| Pannalal | 10,000 | Debtors | 27,500 | 10,000 |
| Babulal | 10,000 | (-) R.D.D | $\underline{1,500}$ | 26,000 |
| Hiralal | 3,000 | Investment | 12,000 |  |
| General Reserve | 20,000 | Profit \& loss A/c | 9,000 |  |
| Creditors | 4,000 | Bank | 2,000 |  |
| Pannalal's loan A/c | 7,000 |  | $\underline{84,000}$ |  |
| Bills Payable | $\underline{84,000}$ |  | $\underline{0}$ |  |

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

1) Asset 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. $30 \quad$ On allotment :Rs. 40 (including premium)
On First call : Rs. $20 \quad$ On Final call : Rs. 30
All the shares were applied for and also allotted. One share holder 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 JeevanVikasVidyalayaKhamgaon. You are required to prepare, Income and Expenditure Account and Balance sheet for the year ending on 31-03-2016.
Balance sheet as on $31{ }^{\text {st }}$ March 2016

| Liabilities | Amt <br> ( Rs) | Assets | Amt <br> (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 |
|  | $\underline{9,99,100}$ |  | $\underline{9,99,100}$ |

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

| Receipts | Amt ( Rs) | Payments | Amt( Rs) |
| :---: | :---: | :---: | :---: |
| To Balance b/d | $3,500$ | By Salaries | 6,25,200 |
| Cash in hand |  | By Purchases |  |
| Cash at bank | 20,100 | (i) Laboratory | 10,000 |
| To tuition fees | 3,67,500 | Equipments |  |
| To term fees | 35,000 | (ii) Library Books | 50,000 |
| To admission fees | 30,600 | (iii) Furniture | 20,000 |
| To Government |  | By Sundry Expenses | 10,000 |
| Grant (Revenue) | 3,50,000 | By printing \& stationary | 35,800 |
| To Sundry Receipts | 1300 | $\begin{aligned} & \text { By annual Social } \\ & \text { Gathering Expenses } \\ & \text { By Balance c/d } \end{aligned}$ | 18,000 |
|  |  | Cash in hand | 4,000 |
|  | 8,08,000 | Cash at Bank | $\begin{array}{\|l} \hline 35,000 \\ \mathbf{8 , 0 8 , 0 0 0} \end{array}$ |

## 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 ${ }^{\text {st }}$ 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.

Trial Balance as on 31 ${ }^{\text {st }}$ March 2016

| Debit Balance | Amt <br> (Rs) | Credit Balance | Amt <br> (Rs) |
| :--- | :--- | :--- | :--- |
| Stock on 1-4-2015 | 28,000 | Capital A/c: |  |
| 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 | 4,275 |  |  |
| 3 yrs)   <br> Bad debts 1,425  <br> Discount allowed 800  <br> Cash in hand 7,000  <br>    |  |  |  |

## Additional Information:

1) Stock on hand on $31^{\text {st }}$ 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.
