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

Preliminary I Examination 2016-17							
Class Date:			Marks: 80 Durations: 3 Hrs				
Q.1	A.	Attempt any three of the following sub questions: Answer the following questions in 'one' sentence each.	(15)				
	1.	What is Partnership deed?					
	2.	What is Sacrifice ratio ?					
	3.	What is deficit?					
	4. 5.	What is the due date of a bill? Who is the drawer?					
	B.	Write a word/ term/ phrase which can substitute each of the fol	lowing statements:				
	1. 2.	Winding up of partnership business. A statement similar to Balance sheet.					
	2. 3.	Encashment of the bill before its due date.					
	<i>4</i> .	An asset which can be converted into cash immediately.					
	5.	The debit balance of trading Account.					
	C.	Select the most appropriate alternative from those given below	and rewrite the statement.				
	1.	New ratio= Balance ratio x					
		b) Sacrifice ratio d) Capital ratio					
	2.	Revaluation A/c is also known as account .					
		a) Profit & loss c) Capital					
		b) Profit & loss Adjustment d) Current					
	3.	Decreased partner's legal representatives loan A/c is sh	nown in the Balance sheet on				
		a) Liabilities c) Credit					
		b) Assets d) Debit					
	4.	Assets and liabilities are transferred to Realization A/c at their	values.				
		a) Market c) Sale					
		b) Purchase d) Book					
	5.	A sum of money goods or any asset, given to someone volunta called	arily, without any compensation is				
		a) Subscription c) Legacy					
		b) Donation d) capital fund					
	D.	State whether the following statements are True or False:					
	1.	Balance sheet is an account of business result.					
	2.	Dissolution takes place when the relation among the partners co	omes to an end.				
	3. 4.	Income and Expenditure Account is a real account.					
	4. 5.	Single Entry System is incomplete form of double entry. A bill of exchange can be endorsed only once.					
	E.	Prepare a format of a bill of a exchange from the following deta 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 th March 2016 Accepted on : 10 th March 2016	uils:				
		•					

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

Particulars	01-04-2010	31-03-2011
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

(8)

- 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 31st March 2016.
 - OR
- What are the Components of current Ratio?
- B.

Α.

- 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^{st} (10) March 2016 their Balance sheet is on follows:

Bala	ance sheet as on 31 st M	larch 2016			
Lia	abilities	Amt	Assets		Amt (Rs)
		(R s)			
Su	ndry Creditors	60,000	Cash at Bank		1,000
Ge	neral Reserve	20,000	Debtors	90,000	
Ca	pital A/c:		(-) R.D.D	1,000	89,000
Aj	ay	1,44,000	Stock		34,000
At	ul	96,000	Investments		48,000
			Plant		60,000
			Building		88,000
		l			

On 1st 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.

3.20.000

3) Before admitting Ashok, R.D.D was to be raised upto Rs.2,000

3,20,000

- 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 31st March 2016 was as given below

Liabilities	Amt	Assets	Amt
	(R s)		(R s)
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
	53,000		<u>53,000</u>

Balance sheet as on 31st March 2016

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.

(4)

(4)

- Journalize the following bill transactions in the books of Gopal as on 14thAugust 2010. Q.4.
 - 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.

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

Liabilities	Amt	Assets		Amt
	(R s)			(R s)
Capital A/c:		Machinery		25,000
Pannalal	30,000	Stock		10,000
Babulal	10,000	Debtors	27,500	
Hiralal	10,000	(-) R.D.D	1,500	26,000
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			
	84,000			84,000

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 On allotment :Rs. 40 (including premium)

: Rs. 20 On First call 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.

From the following information given below of JeevanVikasVidyalayaKhamgaon. You are (12)required to prepare, Income and Expenditure Account and Balance sheet for the year ending on 31-03-2016.

Balance sheet as on 31st March 2016

Q.6.

Liabilities	Amt	Assets	Amt
	(R s)		(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
	9,99,100		9,99,100

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	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	By annual Social	
		Gathering Expenses	18,000
		By Balance c/d	
		Cash in hand	4,000
		Cash at Bank	35,000
	8.08.000		8.08.000

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 (15) Trading and Profit and loss Account for the year ended 31st 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 31st March 2016

Debit Balance	Amt	Credit Balance	Amt
	(R s)		(R s)
0, 1, 1,4,2015	20.000		
Stock on 1-4-2015	28,000	Capital A/c:	00.000
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)			
Bad debts	1,425		
Discount allowed	800		
Cash in hand	7,000		
	4,34,750		4,34,750

Additional Information:

- 1) Stock on hand on 31st 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.
