



KLE Society's

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## MODEL QUESTION PAPER –II

Class : II PU	Subject : ACCOUNTANCY	Subject Code : 30
Year :2020 – 21	Duration : 3 hour and 15 mins	Maximum Marks : 100

### SECTION-A

**I. Answer any 8 from the following Questions: (8X1=08)**

1. State the minimum number of persons required to form a partnership.
2. The partnership deed should be properly drafted and prepared as per provisions of the
  - a. Partnership act
  - b. Stamp act
  - c. companies act
  - d. None of the above
3. Shares are generally transferable (true/false)
4. The amount paid to the retiring partner in excess of what is due to him is called \_\_\_\_\_ goodwill.
5. Who is an Executor?
6. When the shares were forfeited?
7. Mention any one type of preference shares.
8. Under \_\_\_\_\_ method, the capital of the partner's remains fixed.
9. Profit to forfeited shares account is transferred to .....
10. How do you close Realisation account.

### SECTION-B

**II. Answer any FIVE questions of TWO mark each: (5X2= 10)**

11. Write any two features of partnership.
12. State any two final accounts of a partnership firm.
13. Give the journal entry for an asset taken over by a partner on dissolution of a firm.
14. State any two features of a company.
15. Give the meaning of Revaluation account?
16. State any two types of issue of shares.
17. What is over subscription?
18. State any two categories of share capital.

### SECTION-C

**III. Answer any 4 from the following: (4X6=24)**

19. Vani and Soni are partners sharing profits and losses in the ratio of 5:3. They admit Ramya into partnership. The new profit sharing ratio of the partners will be 3:2:1. Calculate sacrifice ratio of the old partners.

20. Rajesh and Ramesh share profits and losses in the ratio 3:2. They admit Rakesh into partnership firm for  $\frac{1}{6}$ <sup>th</sup> share in profit. Rajesh personally guaranteed that Rakesh share of profit after charging interest on capital at 10%p.a would not be less than Rs. 30,000 in any year.

The capital provided was as follows:

Rajesh 2,50,000, Ramesh 2,00,000, and Rakesh 1,50,000, the profit for the year ending March 31, 2020 amounted to Rs.1,50,000 before providing interest on capital. Show the profit and loss appropriation account. New profit sharing ratio is 3:2:1.

21. Mr. Akash is a partner in a firm he withdrew Rs.3000 in the beginning of each month for 12 months. The books of the firm are closed on 31<sup>st</sup> March every year. Calculate interest on drawings if the rate of interest is 10% p.a. under average period method

22. Suma co. Ltd. issued 20,000, equity shares of Rs. 100 each at a premium of Rs. 10 per shares. The amount was payable as follows:

Rs.20 on application

Rs.50 on allotment (including premium)

Rs.40 on first and final call

All the Shares were subscribed and money duly received. Pass the necessary journal entries.

23. Ankit, Amit and Suchit are partners in a firm sharing profits and losses in the ratio of 5:3:2. Amit retires. Ankit and Suchit decided to share the profit of the new firm in the ratio of 3:2.

Calculate the gaining ratio of Ankit and Suchit.

24. Rohit, Sohit and Lohit are partners sharing Profits and Losses in the ratio of 3:2:1 with Capitals of Rs.50,000, Rs.30,000 and Rs.20,000 respectively. According to Partnership deed:

a) Interest on Capitals is allowed @ 5% p.a.

b) Sohit is entitled to annual commission of Rs.5,000

c) Rohit is paid a monthly salary of Rs.1500.

d) Interest on Drawings amounted to Rs.500, Rs. 300 and Rs.200 respectively.

Profit for the year before making the above adjustments was Rs.30,000.

Prepare Profit and Loss Appropriation a/c for the year ended 31-03-2020.

25. A, B and C were partners sharing profit and losses in the ratio of 5:3:2. On 31.3.2020 their balance sheets were as follows: **Balance sheet as on 31.3.2020 as below;**

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Creditors	14,000	Cash	8,000
Reserve fund	6000	Debtors	11,000
Capital: A	30000	Patents	11,000
B	25000	Stock	10,000
C	15000	Machinery	50,000
	<b>90,000</b>		<b>90,000</b>

A died on 30-09-2020, it was agreed between his executors and surviving partners that

a) Goodwill to be reduced at two and a half years purchase of the average profits of the previous four years which were

2016-17	12,000
2017-18	20000

2018-19	13,000
2019-2020	15000

b) Share in the profits from the date of last balance sheet till the date of death to be calculated on the basis of previous year's profit

c) Interest on capital to be allowed at 12%p.a

d) Share in the revaluation account balance. His share is 5,000 (Cr)

Prepare A's capital account.

**SECTION-D**

**IV. Answer any 4 of the following questions:**

**(4X12=48)**

26. Following is the Balance sheet and Receipts and Payments account of Hassan Sports Club, Hassan.

**Balance Sheet as on 31-3-2019**

Liabilities	Amount	Assets	Amount
Capital fund	61,000	Buildings	64,000
Subscription for 2019-20	1,000	O/s subscriptions	1,600
O/s Office expenses	4,000	O/s rent	400
Bank loan	20,000	Furniture	12,000
		Cash at hand	8,000
	<b>86,000</b>		<b>86,000</b>

**Dr. Receipts and Payments Account for the year ended 31-3-2020 Cr.**

Receipts	Rs.	Payments	Rs
To Balance b/d	8,000	By Office Expenses:	
To Subscriptions		2018-2019	4,000
2018-2019	1,600	2019-2020	6,000
2019-2020	17,600	By Subscription to newspapers & Journals	2,000
2020-2021	2,800	By Refreshment expenses	4,000
To Entrance Fees	4,000	By Investments	10,000
To Rent	4,000	By Bank loan	8,000
To Income from Drama	6,000	By Salary	4,400
To Sale of newspapers	400	By Balance c/d	6,000
	<b>44,400</b>		<b>44,400</b>

Adjustments:

- i) Subscription outstanding Rs. 1,000
- ii) Salary outstanding Rs. 400

- iii) Interest payable Rs. 2,400
- iv) Depreciation on Building Rs.5,000
- v) Entrance fees is to be capitalised

Prepare:

- a) Income and Expenditure account
- b) Balance sheet as on 31-3-2020.

27. Given below is the Balance sheet of Kumar and Rajshekar, who are carrying on partnership business as on 31<sup>st</sup> March 2020. Their profit sharing ratio is 2:1.

**Balance Sheet as on 31/3/2020**

Liabilities	Amount	Assets	Amount
Bills Payable	10,000	Cash	10,000
Sundry Creditors	58,000	Sundry Debtors	60,000
Outstanding expenses	2,000	Stock	40,000
Capitals:		Cash at Bank	40,000
Kumar	1,80,000	Buildings	50,000
Rajshekar	1,50,000	Machinery	100,000
	<b>400,000</b>		<b>400,000</b>

Shamanth is admitted as a partner on the date of the Balance sheet with the following terms;

- a) He brings in Rs.100000 as his capital & Rs.60000 as his share of goodwill for 1/4<sup>th</sup> share in profits.
- b) Machinery is to be appreciated to Rs.120000 & the value of Building is to be appreciated by 10%
- c) Stock is found to be overvalued by Rs. 5,000
- d) A provision for doubtful debts is to be created at 5% on debtors.

Prepare

- (i) Revaluation account
- (ii) Partners capital account
- (iii) Cash account
- (iv) Balance sheet of the firm after admission.

28. A, B and C are partners sharing profits and losses in the ratio of 2:3:5 respectively. On 31/03/2020 their Balance sheet was as under:

Liabilities	Amount(Rs.)	Amount(Rs.)	Assets	Amount(Rs.)	Amount(Rs.)
Creditors		38000	Bank		45000
Bills payable		35000	Debtors	40000	
Reserve		30000	Less: provision	5000	35000
Capitals			Stock		25000
A	80000		Furniture		28000
B	70000		Motor car		20000
C	60000	210000	Machinery		55000
			Buildings		80000
			Profit & Loss		25000

		<b>313000</b>			<b>313000</b>
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On the above date, A retired on the following terms:

- a. Depreciate Machinery, Furniture and motor car at 10% each.
  - b. Increase stock and Buildings by 5% each.
  - c. Maintain Provision for Bad Debts at 20%
  - d. Outstanding salaries RS 3000
  - d. Goodwill of the firm is valued at RS 40000. A's share of goodwill is to be created and written off immediately.
  - e. Remaining partners decided to pay the A's dues by availing Bank overdraft.
- Prepare
- (i) Revaluation account
  - (ii) Partners capital account and
  - (iii) Balance sheet of the firm after retirement.

29. Akash, Balu and Chandu are partners sharing profits and losses equally. Their Balance Sheet as on 31.03.2019 was as follows.

**Balance Sheet as on 31.03.2019**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
<b>Capitals:</b>		Furniture	25000
Akash	60000	Machinery	32000
Balu	50000	Buildings	50000
Chandu	30000	Cash	24000
Reserve Fund	15000	Bills	28000
Bills Payable	20000	Receivable	36000
Sundry Creditors	30000	Stock	9000
Bank Overdraft	25000	Investment	20000
		Debtors	6000
		Profit and Loss A/c	6000
	<b>230000</b>		<b>230000</b>

Chandu retired on 01.04.2019 from the business and following adjustments are to be made.

- a. Goodwill of the firm is created Rs.18000 which is retained in the business.
- b. Maintain PDD at 5% on debtors
- c. Increase stock by Rs.4000
- d. Depreciate Machinery and Furniture by 10% each. Prepare:
  - i. Revaluation Account
  - ii. All Partners Capital Account
  - iii. Balance Sheet as on 01.04.2019

30. Mango mist Co .Ltd. Issued 30000 Equity shares of Rs. 100 each at a premium of Rs. 20 per share. The amount payable as follows:

Rs. 30 on application

Rs. 50 on allotment (including premium)

Rs. 20 on first call and

Rs. 20 on final call

All the shares were subscribed and money duly received except the final call on 500 shares .

The directors forfeited these shares and reissued them fully paid at Rs.80 per share.

Pass the necessary journal entries.

31. Anil , Arun and Akhil were partners sharing profits and losses in the ratio of 3:2:1. Their balance sheet as on 31/03/2020 as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	10,000	Bank	6000
Bills payable	18,000	Investments	8000
Capitals		Bills receivable	6000
Anil	45,000	Debtors 26000	
Arun	30,000	(-)RBD 1,000	25,000
Akhil	15,000	Stock	20,000
Reserve fund	12,000	Machinery	25000
Anil s loan	20,000	Furniture	10000
		Building	50000
	<b>150000</b>		<b>150000</b>

On the above date the firm was dissolved. The assets realised are:

a) Bills receivable 5000, Debtors 22500, stock 18000, machinery 20000, buildings 60000.

Investments 10000, furniture 8000

b) All liabilities paid in full

c) The cost of dissolution amounted to Rs.2500

Prepare, Realisation A/c, Partners Capital A/c and Bank A/C

32. From the following Receipt and Payment account and Balance sheet prepare final accounts of Unity Club for the year ended 31<sup>st</sup> March 2020.

**Balance sheet as on 31-03-2019.**

Liabilities	Amount	Assets	Amount
Capital fund	6,94,000	Cash in hand	15,000
Outstanding salary	6,000	Library books	30,000
		Subscription out standing	18,000
		Furniture	37,000
		Land and Building	6,00,000
	<b>7,00,000</b>		<b>7,00,000</b>

**Dr. Receipts and Payments Account for the year ended 31-3-2020 Cr.**

Receipts	Rs.	Payments	Rs
To Balance b/d	15,000	By Furniture	18,000
To Subscriptions		By Library books	10,000
2018-2019	18,000	By Salaries	72,000
2019-2020	60,000	By General expenses	30,000
2020-2021	12,000	By Newspaper	33,800

To Sale of Old Furniture (Costing Rs. 6000)	4,000	By Printing and Stationery	11,000
To Sale of old newspapers	10,800	By Audit fees	40,000
To Profit from entertainment	44,000	By Balance c/d	33,000
To Rent	84,000		
	<b>2,47,800</b>		<b>2,47,800</b>

**Additional information:**

- i. The Club had 500 members each paying an annual subscription of Rs. 150
- ii. On 31-3-2020 salaries outstanding amounted to Rs. 1,200 and salaries paid included Rs. 6,000 for the year 2020-2021.
- iii. Provide 5% depreciation on Land and Building

**SECTION-E**

**(Practical Oriented Questions)**

**V. Answer any two from the following:**

**(2x5=10)**

33. Write two partners capital accounts under fluctuating capital system with five imaginary figures.
34. Give the disclosure requirement pertaining to share capital in notes to accounts of balance sheet of a company with imaginary figures.
35. Classify the following cash flow activities into operating, investing, and financing as per AS-3.
  - a. Cash receipts from customers.
  - b. Purchase of new equipments.
  - c. Cash operated from operations.
  - d. Purchase of investment.
  - e. Issue of Equity share capital.



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