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MODEL QUESTION PAPER –III

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. What are non profit organisations?
2. What is over subscription?
3. Give any one reason for admission of new partner.
4. Give an example for current liability.
5. How to close the executor account?
6. What is capital fund?
7. What are buy-back shares?
8. State any one difference between dissolution of partnership and dissolution of partnership firm.
9. Accumulated profit is transferred to all partners capital accounts including new partner (True/False)
10. New ratio-old ratio =-----

SECTION-B

II. Answer any 5 from the following Questions:

(5X2=10)

11. State any two features of Income & Expenditure account.
12. Define Partnership.
13. What are the methods of valuation of goodwill?
14. State any two categories of Share capital.
15. What is Sacrifice Ratio?
16. State any two circumstances under which a partnership firm is dissolved.
17. Pass the journal entry for increase & decrease in the value of the Building on the admission of a partner.
18. State any two items which comes under the heading current liabilities in a Company's Balance Sheet.

SECTION-C

III. Answer any 4 of the following questions:

(4X6=24)

19. P and Q are partners in a firm. P's drawings for the year 2016-2017 are given as under:

Rs. 10000 on 31-06-2016

Rs. 8000 on 01-09-2016

Rs. 6000 on 01-11-2016

Rs. 4000 on 31-02-2017

Calculate interest on P's drawings at 9% p.a. for the year ending on 31-03-2017 under product method.

20. X, Y and Z are in Partnership, Sharing profits and losses in the Ratio of 3:2:1 respectively. Z's share in the profit is guaranteed by X and Y to be a minimum of Rs. 8,000. The net profit for the year ended March 31, 2015 was Rs. 30,000. Prepare Profit and loss Appropriation Account indicates the amount finally due to each partner.

21. Dinesh & Mahesh are partners sharing profit & losses in the ratio of 3:2. They admit Ramesh into business and the new profit sharing ratio is 5:4:3. Calculate the sacrifice ratio.

22. A, B and C are the partners sharing profits and losses in the ratio of 4:3:3. Their capitals on 1-4-2017 were Rs 100000, Rs.80000 and Rs.50000 respectively.

A died on 01-10-2017 and the partnership deed provides the following:

- a) Salary to A at 2000p.m
- b) Interest on capital at 5%p.a
- c) His share of goodwill the goodwill of the firm is valued at Rs. 10,500.
- d) His share in accrued profit up to the date of death amounted to Rs. 500.
- e) He had withdrawn Rs. 5000 up to the date of death.

Prepare A's Capital account.

23. The Vijaya Company Limited, issued 5000 preference shares of RS 100 each the amount payable:

- Rs. 10 per share on application
- Rs. 50 Per share on allotment
- Rs. 40 per share on first and final call

All the Shares were subscribed and the money duly received. Pass the journal entries in the books of the company.

24. From the following details. You are required to prepare statement of profit and loss for the year ended 31-3-2018 as per schedule III of Companies act 2013.

Particulars	Amount (Rs.)
Plant and machinery	40,000
Furniture	20,000
Share capital	4,00,000
Sales	3,00,000
Purchases	1,80,000
Trade payables	30,000
Depreciation on plant and Machinery	4,000
Amortization of goodwill	6,000
Interest on Debentures	30,000
Interest on Borrowings	20,000
Tax	30%

25. From the Following information prepare Balance sheet of Jindal Company Limited. As at 31-3-2018 As per schedule III of companies act of 2013.

Particulars	Amount(Rs.)
Share Capital	10,00,000
Reserves and Surplus	5,00,000
10% Debentures	5,00,000
Creditors	2,00,000
Bills Payable	3,00,000
Fixed Assets	15,00,000
Trade Recievables	5,00,000
Short term Investments	2,00,000
Cash and Cash equivalent	3,00,000

SECTION-D

IV Answer any 4 from the following Questions:

(4X12=48)

26. Following is the B/s and receipts and payments account of Mysore education society.

Balance sheet as on 31-3-2020

Liabilities	Rs.	Assets	Rs.
O/S salaries	5000	Cash at bank	22000
Building fund	50000	Books	25000
Capital fund	72500	Furniture	30000
		Building	50000
		O/s subscription	500
	127500		127500

Dr. Receipts and payments accounts for the year ending 31-3-2021 Cr.

Receipts	Rs.	Payments	Rs.
To balance b/d	22000	By salaries	20000
to subscriptions	18800	By printing and stationeries	2000
To entrance fees	10000	By office expenses	4000
To sale of old news paper	200	By books bought(1-4-2020)	5000

		By news paper subscription	500
		By refreshment expenses	600
		By E-mail charges	200
		By balance c/d	18700
	51000		51000

Adjustments:

1. O/s subscription for 31-3-2021 Rs. 5000
2. O/s salaries for 31-3-2021 Rs. 600
3. Half of the entrance fees are to be capitalised
4. Depreciate furniture at 10%p.a and books at 30%p.a

Prepare income and expenditure account for the year ending 31-3-2021 and Balance sheet.

27. Following is the Balance sheet and Receipts and Payments account of Srinidhi Education Trust, Shankar mutt.

Balance Sheet as on 31-3-2020

Liabilities		Amount	Assets		Amount
Outstanding Office Expenses		5,000	Cash in Hand		15,000
Bank Loan		35,000	Furniture		25,000
Capital Fund		1,20,000	Building		70,000
			Sports Materials		20,000
			Library Books		30,000
		1,60,000			1,60,000

Dr. Receipts and Payments Account for the year ended 31-3-2021 Cr.

Receipts	Amount	Amount	Payments	Amount	Amount
To Balance b/d		15,000	By Office Expenses		
To Subscriptions			2019-2020	5,000	
2020-2021	45,000		2020-2021	17,000	22,000
2021-2022	5,000	50,000	By Printing and postage expenses		
To Entrance Fees		8,000			600

To Donations		12,000	By Salary		25,000
To Interest		5,000	By Purchase of Books		
			By Bank loan repaid		10,000
			By Subscriptions to Newspapers		5,000
			By Balance c/d		600
					26,800
		90,000			90,000

Adjustments:

- i) Subscription outstanding Rs. 5,000
- ii) Salary Prepaid Rs. 2,500
- iii) Capitalise 50% of entrance fees and 100% of donations.
- iv) Depreciate Building by 10% p.a.

28. Amrutha and Geetha are partners sharing profits and losses in the ratio of 3:2. Their Balance sheet as on 31/03/2020 stood as follows.

Balance sheet as on 31/03 2020

Liabilities	Rs.	Assets	Rs.
Creditors	40000	Cash at bank	40000
Bills payable	25000	Bills receivable	5000
Reserve fund	30000	furniture	5000
Bank overdraft	15000	machinery	80000
Capitals:		buildings	40000
Amrutha	60000	stock	20000
Geetha	40000	debtors	20000
	2,10,000		2,10,000

On 1/4/2020 they admit Sheela into partnership on the following terms:

- a) She should bring Rs.15,000 towards Capital. Goodwill valued at Rs. 5000 As per AS26.
- b) Increase building by 15%
- c) Depreciate machinery and furniture at 10%p.a each
- d) RDD is to be made 5% on debtors
- e) Rs 5000 to be written off from creditors who are not likely to claim.

Prepare:

- i. Revaluation A/c

- ii. Partners capital A/c
- iii. Balance sheet of the new firm.

29. Ganga, Yamuna are partners in a firm. Following is the Balance sheet as on 31-3-2019.

Balance sheet as on 31-3-2019

Liabilities	Amount(Rs.)	Assets	Amount(Rs.)
Creditors	20,000	Cash in hand	7,000
Bills Payable	4,000	Stock	15,000
Capitals:		Debtors	16,000
Ganga	40,000	Less Provisions	500
Yamuna	20,000	Furniture	4,500
		Patents	4,000
		Plant and machinery	18,000
		Land and Building	20,000
Total	84,000	Total	84,000

On 1-4-2019, Kaveri is admitted into partnership on the following terms.

- a. Kaveri should bring Rs. 13,000 as capital
- b. Goodwill of the firm is created at Rs. 6,000
- c. Provision for doubtful debts is to be increased by Rs. 1,200
- d. Patents and Machinery are to be reduced by 20% and Rs. 2,000 Respectively
- e. Buildings is to be increased by Rs. 400
- f. Capital accounts partners are to be adjusted in their new profit sharing ratio 3:2:1 based on Kaveri's capital (adjustment to be made in cash)

Prepare:

- i. Revaluation account
- ii. Partners capital account
- iii. Cash account
- iv. New Balance Sheet of the firm.

30. A, B and C are partners sharing profits and losses in the ratio of 2:3:5 respectively. On 31/03/14 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
		313000			313000

On the above date, A retired on the following terms:

- Depreciate Machinery, Furniture and motor car at 10% each.
- Increase stock and Buildings by 5% each.
- Maintain Provision for Bad Debts at 20%
- Outstanding salaries RS 3000
- Goodwill of the firm is valued at RS 40,000. A's share of goodwill is to be created and written off immediately as per AS26.
- Remaining partners decided to pay the A's dues by availing Bank overdraft.

Prepare: Revaluation account, Partners capital account and Balance sheet.

31. Suma, Sonu and Sunitha were partners sharing profits and losses in the ratio of 3:2:1. Their Balance sheet as on 31/03/2020 as follows:

Balance sheet as on 31/03/2020

Liabilities	Rs.	Assets	Rs.
Creditors	20,000	Bank	12000
Bills payable	36,000	Investments	16000
Capitals		Bills receivable	12000
Suma	90,000	Debtors 52000	
Sonu	60,000	(-)RBD 2,000	50,000
Sunitha	30,000	Stock	40,000
Reserve fund	24,000	Machinery	50000
Suma's loan	40,000	Furniture	20000
		Building	100000
	300000		300000

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

- Bills receivable 10000, Debtors 45000, stock 36000, Machinery 40000, Buildings 120000. Investments 20000, Furniture 16000
- All liabilities paid in full

c) A bill of as 3000 under discount was dishonoured and had to be taken over by the firm

d) The cost of dissolution amounted to Rs.2500

Prepare Realisation A/c, Partners capital A/c and Bank A/C.

32. Mandya sugar Co.Ltd. issued 30000 Equity shares of Rs. 10 each at Par each. The amount payable as follows:

Rs. 2 on application

Rs. 4 on allotment

Rs. 2 on first call and

Rs. 2 on final call

All the shares were subscribed and money duly received except the final call on 1000 shares held by Mohan. The directors forfeited these shares and reissued them fully paid at Rs.9 per share.

Pass the necessary journal entries regarding issue, forfeiture and reissue.

SECTION-E

(Practical Oriented Questions)

V Answer any two of the following:

2x5=10

33. How do you treat the following in the absence of partnership deed?

a) Interest on capital

d) Salary to partners

b) Interest on loan

e) Distribution of profits or loss

c) Interest on drawings

34. Classify the following into capital and revenue items

1. X ray machine purchased by a hospital

2. Life membership fees

3. Sale of machinery

4. Subscription received from members

5. Amount spent for upkeep of ground.

35. Prepare Executors loan account showing the repayment in two annual equal instalments along with interest with imaginary figures.

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