



# A. G. High School & G. & D. Parikh Higher Secondary School

Navrangpura, Ahmedabad - 9.

## Second Preliminary Exam : 2010-11

Date : 07-02-11

Std. : 12

Marks : 100

Day : Monday

Sub. : Ele. of A/c.

Time : 3 Hrs.

- Note :**
- (i) Draw columns with scale and pencil where necessary.
  - (ii) Show necessary working / calculation.

### Section - A

Following 1 to 10 questions are multiple choice questions. Select correct answer (10) and write your answer in full sentence or word. Each question is of one mark.

1. When there is no provision in partnership deed for interest on partners loan, if 10% loan is taken from a partner then interest at \_\_\_\_\_ is given according to law.  
(A) 5% (B) 6%  
(C) 10% (D) No interest is given
2. Chandni, Rutu and Heli are partners sharing profit and losses in the ratio of 2:1:1 respectively. They decide to change their profit sharing ratio to 1:2:1 respectively, sacrifice of Heli will be .....  
(A)  $\frac{1}{4}$  (B)  $-\frac{1}{4}$   
(C) Zero (D) None of the above
3. The most important element in valuation of goodwill is .....  
(A) Type of business (B) Efficiency of owner of Business  
(C) Future maintainable profit (D) Place / location of Business
4. At the time of dissolution of partnership firm, what will be accounting effect of Bad debts return ?  
(A) Cash A/c. (B) Realization A/c. Dr.  
(C) Realization A/c. Cr. (D) No effect
5. How much minimum period can be required for shares issued at a discount after the permission to commence business is received by the company ?  
(A) 24 months (B) 12 months  
(C) 6 months (D) 3 months
6. Debenture Redemption Fund is to be created if redemption period is more than ....  
(A) 28 months (B) 21 months  
(C) 12 months (D) 18 months
7. Which statement are used to compare two companies condition ?  
(A) Common size statements (B) Comparative statements  
(C) Income statements (D) Profit-Loss statements
8. A business has credit sales of Rs.500000 and cost of goods sold is Rs.360000. What is gross profit ratio ?  
(A) 72% (B) 28%  
(C) 25% (D) 82%
9. Which one of the following is known as Sundiya and Daniya ?  
(A) Peta Nodh (B) Bethomel  
(C) Rojmel (D) Kachi Nodh

(P.T.O.)

10. Which one of the following is not a Kachcha Khatu ?  
 (A) Shri Gharkharch Khatu (B) Shri Pagar Khatu  
 (C) Shri Vakar Khatu (D) Shri Commission Khatu

### SECTION - B

Following 11 to 20 questions are very short answer question. Answer in short. (10)  
 Each question is of one mark.

11. What is partnership deed for partnership firm ?
12. Write formula for calculating capitalised profit ?
13. Which are the methods for recording goodwill at the time of admission of a new partner ?
14. In the second method of preparing realization A/c., the amount of realization of assets is written in which A/c. ?
15. Under which head of balance sheet of company, where amount of calls in Advance is shown ?
16. In which type of debentures interest coupons are to be attached ? Why ?
17. What do you know from comparative statement ?
18. By which ratio received credit period is computed ?
19. Who maintains Bethome? When ?
20. Write the Havalā Nondh of the amount of the loss calculated from Vataav Khate transferred to Bhandol Khate.

### Section - C

Following 21 to 27 questions are Short Answer Question. Answer as directed. (14)  
 Each question is of 2 marks.

21. The accounting year of a firm is a calendar year. One partner has withdrawn uniform amount in the beginning of each month from 1st September. If total withdrawal is of Rs.1920, what will be the amount of interest on withdrawal @ 12% p.a. ?
22. At the time of reconstruction of partnership undistributed profits of the firm are Rs.5000, unrecorded debt is of Rs.3000, and unrecorded outstanding income is of Rs.2500. Find out profit or loss as per Revaluation account.
23. During dissolution the balance sheet shown the following balances. Show their accounting effects.
 

(i) General Reserve	(ii) Workers accident compensation fund
(iii) Closing the account of the Assets	(iv) Close account of debts.

### OR

Write the entry in following situations while preparing Realization A/c. by second method.

- (i) Book value of miscellaneous Assets Rs.284000 and realized value is Rs.248000.
- (ii) Book value of creditors Rs.75000 being paid @ 10% discount.
24. Method of Redemption of Debentures.
25. Explain methods of Financial Statements analysis.
26. At the end of a year Vikas Company debtors of Rs.40,000 and bills receivables of Rs.10000 during the year total sales was Rs.600000, In which cash sales of Rs.100000 is included. Compute debtors turnover ratio.

(P.T.O.)

27. Match the pairs :-

<u>Ratio</u>	<u>Type</u>
1. Gross Profit Ration	(a) Activity Ratio
2. Current Ration	(b) Solvency Ratio
3. Working Capital Turnover	(c) Profitability Ratio
4. Proprietary Ratio	(d) Liquidity Ratio

### Section - D

Following 28 to 33 question are short answer questions. Answer as directed. (18)  
Each question is of three marks.

28. Consider the following information :

Year	2003	2004	2006
Profit (Rs.)	10000	-4000 (loss)	9000

Find value of goodwill on the basis of two years purchase of last three years average profits.

**OR**

Define Goodwill. Explain factors affecting valuation of goodwill.

29. Write short note : Realization Account
30. Arya and Jay have total assets of 3,00,000 in there partnership firm. In includes the cash balance is Rs.20000. Net assets are Rs.2,00,000. Capital and Reserve are in ratio of 4:1. Arya's capital is Rs.40000 more than Jay. Realization A/c. has a loss of Rs.40,000. Prepare opening balance sheet. Find capital A/c.s of Arya and Jay.
31. Give the difference between shares and debentures.
32. Robin limited issued 50,000 7% debentures of Rs.100 each pass the necessary journal entries at the time of the issue and redemption of debentures in the following cases :  
Debentures are to be issued at 6% premium and redeemed at 8% premium.
33. Gross profit ratio of Umang Company is 30% and sales is of Rs.600000. While opening and closing stocks are Rs.45000 and Rs.25000 respectively. Compute stock turnover ratio.

### Section - E

Following 34 to 36 questions are long answer questions. Answer in detail. (24)  
Each question is of eight marks.

34. Divyang and Devansh are equal partners. Their balance sheet as on 31-03-06 is as follows:

#### Balance Sheet

Liabilities	Amt. Rs.	Assets	Amt. Rs.
<b>Capitals :-</b>		Building	1,60,000
Divyang 1,40,000		Furniture	92,000
Devansh <u>1,60,000</u>	3,00,000	Investments	95,000
Provident Fund	35,000	Debtors 54,000	
Bills Payable	18,000	- B.D.R. <u>4,000</u>	50,000
Creditors	67,000	Outstanding income	6,000
General Reserve	5,000	Cash	22,000
	<u>4,25,000</u>		<u>4,25,000</u>

They admitted Malav as new partner with 1/4 share in profits on following terms :

1. Malav to bring cash of Rs.1,35,000 as his capital.
2. Goodwill is valued at Rs.60,000. Goodwill is to be adjusted in capital accounts of partners.
3. Bad debt reserve is to be maintained at Rs.5000.
4. Building is valued at Rs.177000 and furniture is to be reduced by Rs.27000.
5. Investments to be reduced by 10%.
6. Out of creditors, an amount of Rs.7000 is now not payable.
7. Unrecorded outstanding income of Rs.2000 is to be recorded in the books.

From the above information

- (i) Pass necessary journal entries for recording goodwill.
- (ii) Prepare necessary accounts.
- (iii) Prepare a new Balancesheet.

35. Chandni, Rutu and Devanshi are partners sharing profits and losses in the ratio of their capitals. As on 31-3-06 their balance sheet is as follows.

**Balance Sheet as on 31-03-06**

Liabilities		Amt. Rs.	Assets		Amt. Rs.
<b>Capital</b>			<b>Building</b>		15,000
Chandni	15,000		Plant		22,500
Rutu	22,500		Stock		7,500
Devanshi	15,000	52,500	Debtors		7,500
Creditors		7,500	Cash Balance		7,500
		<b>60,000</b>			<b>60,000</b>

Devanshi decided to retire from the firm as on 31-03-06. As on this date assets and liabilities were revalued as follows :-

1. Building to be valued Rs.8000 more.
2. Plant to be valued Rs.2250 less.
3. Stock to be reduced to Rs.1250.
4. Provide bad debt reserve of Rs.750.
5. Unrecorded outstanding income is Rs.1250 is to be recorded in the books.
6. Goodwill is valued at Rs.17500, but only Devanshi share is to be adjusted in capital accounts of Chandni and Rutu.
7. Total capital of the new firm should be same as before retirement of Devanshi. It should be in new profit sharing ratio which is to be equal.
8. Amount payable to Devanshi, to be paid in cash and if necessary Chandni and Rutu will bring or withdraw cash accordingly.

Prepare profit and loss adjustment account, capital accounts and new balancesheet of the firm.

36. Jaimin Limited Company issued 5,00,000 equity shares of Rs.10 each at a discount of 10%. The amount called up was as under.

On application Rs.4 per share (after discount)  
 On allotment Rs.3 per share.  
 On final call Rs.2 per share.

Amount was not received on allotment and final call on 1000 shares held by Heli. Also, amount was not received on final call on 400 shares held by Rucha. Company forfeited shares of Heli and Rucha. Except this, all sums due on shares were duly received. Out of forfeited shares 900 shares (including 400 shares of Rucha) were reissued to Hima at Rs.7 per shares as fully paid up. Write journal entries in the books of company.

**OR**

Sarabhai Limited of Baroda issued 10,00,000 equity shares of Rs.10 each to public company called.

Rs.3.50 per share on application.

Rs.3.50 per share on allotment and

Rs.3.00 per share on first and final call.

Company received application for 12,00,000 equity shares from public. Excess application were rejected and money paid on them was refunded.

Kedar, who had applied for 2000 shares, had paid full Rs.10 per share along with application. Company had allotted all the shares applied by him. Karan, who was allotted 1500 shares, had paid amount due on first and final call alongwith share allotment money. Vinit, who was allotted 1200 shares. Could not pay first and final call.

Except this, amount due on allotment and first & final call were duly received from time to time. Pass necessary journal entries in the books of company.

**Section - F**

Following 37 to 38 questions are long answer questions. Answer as directed. (24)  
Each question is of 12 marks.

37. Arya and Jay are partners of a firm. The distribute profit equally upto Rs.1,00,000 and remaining profit in the proportion of 3:2 from the following information prepare Trading Account, Profit & Loss Account and Balancesheet.

**Trial Balance as on 31/03/06**

Particulars	Debit Amount Rs.	Credit Amount Rs.
Owners Accounts : Arya	15000	130000
Jay	10000	80000
Purchase and Sales	130000	270000
Goods Return	6000	3000
Cash	38000	-
Bank Balance	25000	-
Provident Fund and Contribution of PF	2000	30000
Provident Fund Investments and Interest on them	30000	6000
15% Mortgage Loan (From 31-10-2005)	-	12000
Insurance Premium	8000	-
Insurance Paid in Advance	3000	-
Trade Marks	20000	-
Machines	60000	-
Depreciation on Machines	5000	-

(P.T.O.)

Particulars	Debit Amount Rs.	Credit Amount Rs.
Bills	18000	12000
Customers and Creditors	36000	5000
Interest on Mortgage Loan	500	-
Bad debts Reserve	-	2000
Opening Stock	12,000	-
Carriage Inward (4/5 Paid)	2500	-
Goods Stolen by theft	-	1000
Apprentice Premium	-	10000
Building	80000	-
12% debentures	60000	-
	<b>561000</b>	<b>561000</b>

**Adjustments :-**

- Closing Stock is of Rs.60,000 out of which goods of Rs.2000 is in damaged condition, for which Rs.800 will be spent for repairing.
  - Increase the rate of depreciation to 10% on machine.
  - Interest on debenture is outstanding.
  - Total of sales return book is under cast by Rs.1500.
  - Bills receivable of Rs.2000 is dishonoured, nothing can be recovered from the said customers.
  - Total of Bills payable book is under cast by Rs.1500.
38. From the transactions given below of Shri Krishnaben, prepare Rojmel for Sud 14, Friday, Samvat 2062, Dt.06-10-2006 and also do the posting in Shri Dena Bank's Ledger Account.
- Opening cash balance as Rs.45000 and Bank balance Rs.30000.
  - Purchased goods worth Rs.14000 from Dhara at 5% Trade discount.
  - Goods worth Rs.16000 at 5% cash discount sold to Vishal. The cheque received for the same deposited in Bank.
  - Sent Mehtaji Poojan to Surat with Rs.16500 for the purchase of goods.
  - Gave Rs.3000 to Surendra as ubblek on a condition to return within three days.
  - Ekta accepts dues at Rs.5000 from Eesha.
  - Gave Rs.251 as chanlla on marriage ceremony of Jinesh customer's son Vivek.
  - Bank has credited Rs.1500 in the passbook towards interest.
  - Paid salary Rs.1750, wages Rs.1500 and rent of shop Rs.2500.
  - Withdraw Rs.1300 from Dena Bank for Dukan Kharch.
  - Gave a cheque drawn on Dena Bank of Rs.1800 to Radhika and settled her account of Rs.1850.
  - On tallying cash on hand in the evening, it was found that cash was short by Rs.30.

**OR**

Utaro of Shri Pankaj for Samvat 2062 Aso Vad 0)) is as under. Prepare Havala mel, Kharid Vakra Khatu and Sarvaiyu from the given details.

(P.T.O.)

Utaro on Aso Vad 0)) Samvat 2062

J	U
57,000J00 Shri Bhandolkhate L.F.	5,400J00 Shri Opening Stock Khate L.F.
86,400J00 Shri Vakra Khate L.F.	63,000J00 Shri Kharid Khate L.F.
1,440J00 Shri Bhada Khate L.F.	4,800J00 Shri Gharkharch Khate L.F.
8,100J00 Shri Bansari Khate L.F.	675J00 Shri Insurance Premium KhatL.F.
2,700J00 Shri Nancy Khate L.F.	3,600J00 Shri Pagar Khate L.F.
<u>1,55,640J00</u>	10,800J00 Shri Umang Khate L.F.
	300J00 Shri Varun Khate L.F.
	22,200J00 Shri Sadhan-Saranjam Khate L.F.
	41,100J00 Shri Imarat Khate L.F.
	<u>1,54,575J00</u>
	1,065J00 Shri Purant Bank L.F.
	<u>1,55,640J00</u>

Havala :-

1. Closing stock is Rs.11400 but it's market price is 20% more.
2. Outstanding commission from Jagruti is Rs.600.
3. Prepaid Insurance premium is Rs.225.
4. Rent received in advance Rs.360.
5. Calculate 10% depreciation on Sadhan Saranjam.
6. Varun is declared insolvent so no dues can be recovered from her.