



**A. G. High School and G. & D. Parikh Higher Secondary School**

Navrangpura, Ahmedabad - 380 009.

**Second Preliminary Examination : 2014**

Date : 28-01-2014

Std. : 12

Marks : 100

Day : Tuesday

Subject : Ele. of Accounts

Time : 3:00 Hrs.

- Note : (i) Draw columns where necessary.  
(ii) Show calculation.**

**Section - A**

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

1. Every partner is \_\_\_\_\_ of the other partner and also of the firm.  
(A) Competitor (B) an agent  
(C) Manager (D) Creditor
2. "Goods Return Credit" is also known as \_\_\_\_\_.  
(A) Sales (B) Purchase Return  
(C) Sales Return (D) Goods withdrawn
3. At the time of admission of new partner if the value of goodwill is determined less than the book value what effect is given to goodwill A/c. ?  
(A) goodwill a/c. debited by decreased value.  
(B) goodwill a/c credited by decreased value  
(C) goodwill a/c. credited by new value.  
(D) goodwill a/c. credited by new value.
4. After distribution of share of retiring partner the new ratio of remaining partners is .....  
(A) New ratio - Sacrifice (B) Sacrifice + gain  
(C) Old ratio - New ratio (D) Old ratio + gain
5. From the realization of firm's assets after dissolution, which of the following liabilities is paid last ?  
(A) Dissolution expenses (B) Partner's loan  
(C) Dues to third party (D) Partners wife's loan
6. When company issues shares of a value higher than the Net assets. Purchased the amount of difference is transferred to \_\_\_\_\_ A/c.  
(A) Goodwill (B) Suspence  
(C) Premium (D) Capital Reserve
7. Which account is credited when "Debenture Redemption fund Investment are sold with profit ?  
(A) Cash or Bank A/c. (B) Debenture A/c.  
(C) Debenture Red. fund Investment A/c. (D) Debenture Redemption fund A/c.
8. What is not included in Activity Ratios" ?  
(A) Stock Turnover Ratio (B) Current Ratio  
(C) Working Capital Turnover (D) (A) and (C) both
9. In which language the books of accounts are recorded in Deshy Nama System ?  
(A) Gujarati (B) Hindi  
(C) Vahi (D) Regional

10. Which type of debentures are repaid only at the time of dissolution of Co. ?  
(A) Secured debentures (B) Convertible debentures  
(C) Redeemable Debentures (D) Irredeemable debentures.

**Section - B**

**Following 11 to 20 questions are short answer questions. Answer as directed. (10)**  
**Each question is of one mark.**

11. Write a formula to decide commission of a manager of a firm when his commission is paid on "Net profit after charging such commission."  
12. Why assets and liabilities of the firm are revalued ?  
13. Amul and Sumul are partners sharing profit and loss in the ratio 3:1. Kunal is admitted with 1/5th share. Amul gives 1/5th of his share and balance is given by Sumul in favour of Kunal find New P&L ratio between all three partners.  
14. A, B and C are partners sharing profit and loss in the ratio 2:2:1. Partner C died on 30-9-2012. Last three years Average profit is Rs.60,000. Decide share of partner 'C' on the basis of time. Accounting years ends on 31st December every year.  
15. What entry is given if dissolution expenses are agreed to be beared by a partner but actual expense is paid by firm ?  
16. What is "Naked Debentures" ?  
17. Why society or public is interested in analysis of financial statements ?  
18. State the solvency ratios and its importance.  
19. State the methods of Redemption of Debentures.

**OR**

- Give entry when interest is received on Debenture Red. fund investments.  
20. If Average stock is Rs.2,00,000, Sales is Rs.12,50,000. Gross profit is Rs.2,50,000. Decide stock turnover.

**Section - C**

**Give short answer of the following questions from 21 to 27. (14)**  
**Each question carries two marks.**

21. A, B and C are partners. Profit of the firm shared equally by mistake, instade of sharing in the ratio 1:2:3. If partner A's Capital A/c. is debited by Rs.20,000 for this error in rectification entry give effect of partner B and C's capital account.  
22. Partner A is withdrawing Rs.480 at the end of every three months, If rate of interest on drawings is 10%, find interest on drawings and total withdrawal of partner. Accounting year ends on 31st March every year.  
23. Sagar and Sarita are partners sharing profit and loss in the ratio 2:1. Now they have change their profit and loss ratio as 1:1. On 31-03-07 their books of accounts shows following Balances.

General Reserve Rs.5000 profit and loss accounts (Dr. Bal.) Rs.18000.  
Give journal entry for distribution of above Reserve and Loss.

24. Atul, Bakul and Kiran are partners sharing Profit and loss in the ratio 3:2:1. Goodwill appears in the books at Rs.15,000. The partners decided to change their profit sharing ratio to 1:1:1 and revalued goodwill at Rs.6000. After revaluation of goodwill it is decided to write off entire goodwill from books. Give journal entries in above circumstances.
25. Goodwill of Rs.20,000 not shown in books realised Rs.18000 and Income tax liability of Rs.22,000 is paid by the receiver. Give journal entries for above matters at the time of dissolution of firm.
26. A share holder holds 400 equity shares of Rs.10 each. He had paid application money Rs.2.50 per share and allotment money Rs.3.00 per share, but could not pay first call money of Rs.2.50 per share company forfeited his shares before making final call and reissued all these shares at a discount of Rs.3 per share on face value as fully paid up. Give journal entries in books of company.

**OR**

Show classification of share capital with the help of imaginary figures in the balance sheet of a company.

27. On 1-1-2004. A company issued 3000 8% debentures of Rs.100 each at 6% discount. Accounting year of company ends on 31st December. The Debentures were redeemed as under.

<u>Date</u>	<u>No. of debentures redeemed</u>
31.12.2005	1200
31.12.2006	900
31.12.2007	600
31.12.2008	300

Find amount of discount to be written off every year.

**Section - D**

Following 28 to 33 questions are short answer questions.  
Each question carries 3 marks.

(18)

28. Following details of profit are taken from the books of the firm. Calculate goodwill at 5 years purchase by taking appropriate profit.

<b>Year</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Profit (Rs.)</b>	55,000	44,000	33,000	22,000

29. Total Assets of the firm are Rs.3,00,000 including cost Rs.20,000. Net assets of the firm are Rs.2,00,000. The ratio of the capital & reserve is 3:1. The capital of aptner A is double then the partner B. The firm is dissolved. The loss of the realisation account is Rs.50,000. Prepare the realisation account & capital accounts of partners.

30. On 1-1-2006 Vishakha Ltd. issued 9000, 9% debentures of Rs.100 each. These debentures are to be redeemed on 31.12.12 at Rs.130 each. Give journal entries of issue and redemption of debentures.
31. (i) State methods or tools of analysis of financial statement.  
(ii) Which are forms of Balancesheet given in Schedule VI of Companies Act.  
(iii) What is the other name of Common-size statements.
32. Following information is taken from financial accounts of PQR Ltd.

Particulars	Amount Rs.
Gross Profit	2,24,000
Cost of Goods sold	4,16,000
Reserves	50,800
Sundry Creditors	60,000
Bank Overdraft	28,000
Land & Building	1,52,000
Plant & Machinery	1,70,000
Closing Stock	65,000
Bills Receivable	20,000
Sundry Debtors	76,000
Cash balance	15,000
10% Debentures	1,60,000

Total working days 360.

Calculate (i) Gross Profit ratio, (ii) Debtors Ratio, (iii) Working Capital Turnover.

33. From the following transactions, prepare Shri Vaibhav's Jamanonh for Samvat, 2069 Asomas.
- Aso Sud-1 Purchased goods of Rs.12,000 from Balaram at 10% trade discount and 2% cash discount. Received invoice no.91, covering 3% salestax, carriage Rs.80, Wages Rs.30.
- Aso Sud-5 Purchased goods of Rs.9,000 from Laxmi at 10% T.D. after adding 4% sales tax, carriage Rs.70. Inward invoice No.34 is Received. Gave cheque for half amount.
- Aso Sud-15 Purchased a printier of Rs.7500 from Boss Computer on credit. Received invoice after adding Sales tax 5%.
- Aso Vad-3 Goods of Rs.2000 returned by Suketu, sold to him on Bhadarva Vad-8. Jama Chiththi No.33.
- Aso Vad-15 Returned goods of Rs.700 to Balaram. Udhar Chiththi No.23.

#### Section - E

Following 34 to 36 questions are long answer questions, answer in detail.

(24)

Show calculations. Each question is of 8 marks.

34. A and B are partners sharing profit and loss in the ratio 2:1. On 31.12.2013. Balancesheet of their firm was as follows.

**Balance sheet as on 31.12.2013**

Liabilities		Rs.	Assets		Rs.
Capital : A	1,00,000		Goodwill		9,000
B	1,00,000	2,00,000	Land		1,00,000
Profit & Loss A/c.		9,000	Building		50,000
Creditors		30,000	Machinery		60,000
Bills payable		10,000	Debtors		20,000
Outstanding Expenses		5,000	Bills receivable		10,000
			Cash Balance		5,000
		<b>2,54,000</b>			<b>2,54,000</b>

'C' is admitted in the firm with following terms and conditions on 1.1.14.

- (1) A will give 50% of his share to 'C'.
  - (2) C will bring Rs.1,10,000 cash as his share of Capital. A and B decided to keep their capital as per new P&L ratio for that C's capital is to be kept as base. For this purpose adjustment is given in Cash account.
  - (3) Value of Goodwill is decided Rs.15,000 but after C's admission goodwill is to be written off.
  - (4) New value of Land is Rs.1,20,000.
  - (5) Value of Building is to be decreased by Rs.2800.
  - (6) Market price of Machine is Rs.55,000.
  - (7) Provide Baddebt Reserve 10% on debtors.
  - (8) Out of creditors Rs.1500 is not to be paid.
- Prepare necessary accounts & New Balance sheet.

35. A, B and C are partners, sharing profit and loss in the ratio 4:3:2. Their Balance sheet as on 31.3.12 was as under.

**Balance sheet as on 31.03.2012**

Liabilities		Amount Rs.	Assets		Amount Rs.
Capital A/c. A	18,000		Land		22,500
B	13,500		Machine		7,650
C	9,000		Debtors	4,500	
Creditors		5,000	-B.D.Res.	150	4,350
D's loan		1,000	Cash Balance		5,500
Outstanding Expenses		500	Stock		7,000
		<b>47,000</b>			<b>47,000</b>

Partner B retires on 31.3.2012 on following terms.

- (1) Value of Land and stock is to be increased by 20% and 10% respectively.
- (2) Baddebt reserve is to be kept at 5% on debtors.
- (3) Commission Rs.50 is yet to be received.
- (4) Out of dues of 'B' Rs.10,000 is to be kept as loan and balance is to be paid in cash.
- (5) B has accepted to pay loan of 'D'.

6. Goodwill of the firm is decided Rs.9000 and it is to be shown in the books.  
 7. In new balancesheet cash balance is to be kept Rs.10,000.  
 8. Remaining partners will keep their capital in new profit and loss ratio which is 3:2, for this purpose partners will bring or withdraw necessary cash.  
 Prepare necessary accounts and Balancesheet after retirement of 'B'.

36. A company has issued 80,000 equity shares of Rs.10 each at 10% discount. Amount call on shares as follows.

With application Rs.3 per share

With allotment Rs.2 per share.

With First call Rs.3 per share.

Balance amount with last call Discount is to be calculated at the time of allotment money called. Maitry holding 400 shares could not paid allotment and first call and Munir holding 600 shares could not paid first call. Their shares are forfeited & reissued at Rs.6 per shares. After that last call is called and fully paidup.

Give Journal entries in the books of company. Narration not required.

#### Section - F

Questions 37 and 38 are essay type and carry twelve marks each.

(24)

37. Ram & Lila are partners. Their trial balance on 31.3.11. Was a follows.

#### Trial Balance as on 31.03.2011

Debit Balance	Amount Rs.	Credit Balance	Amt. Rs.
Current A/c.	10,000	Capital Ram	1,60,000
Stock on 31.03.11	54,600	Lila	1,20,000
Cash Balance	560	Current A/c. Lila	40,000
Bank Current A/c. Bal.	14,000	Trading A/c.	61,800
F.D. in Dena Bank	80,000	Loan from Lila (fr.1-10-10)	60,000
Debtors	36,800	Discount Res. on Debtors	760
Salary	37,000	Baddbet Reserve	2,000
Land & Building	1,20,000	Creditors	24,000
Office Furniture	50,000		
Lease Building (for 5 years from 1-4-10)	60,000		
Insurance Premium	2,000		
Stationery & Printing	1,200		
Baddebt	400		
Advertisement Exp.	1,200		
Travelling Exp.	800		
	<b>4,68,560</b>		<b>4,68,560</b>

#### Adjustment :-

- Ram has taken goods of Rs.4000 for personal use but not recorded in books of accounts.

2. Goods of Rs.8000. Where purchased on 31.03.2011 but not recorded in books of accounts. This was included in closing stock.
  3. Prepaid insurance premium is Rs.400.
  4. Debtor from whom Rs.10,000 was due is declared insolvent and 80% can be recovered from him remaining is to be written off. Provide 5% Baddebt reserve on debtors.
  5. Calculate 5% depreciation on Land & Building and 10% on furniture. (Furniture of Rs.10,000 was purchased on 1-10-10).
  6. Calculate 6% interest on capital and 10% interest on balance of current account.
38. From following transactions prepare Bethomel for Samvat 2067 Chaitra Mas of Chailaly Stores. Prepare personal account in the Khatavahi.
- Sud-1 Cash Balance Rs.16900 and Bank Balance Rs.18,800.
- Sud-3 Purchased goods of Rs.9000 at 10% T.D. from Jaya, paid cheque for half amount.
- Sud-5 All the goods purchased from Jaya are sold to Rekha at 25% profit on Sales price. (C.P. considered before deducting T.D.)
- Sud-7 Rs.2300 sent with angadia Dineshbhai to be paid to our creditor Pravinlal. Rs.20 paid for angadia kharch.
- Sud-10 Goods of Rs.3000 returned by Rekha these goods returned to Jaya.
- Sud-12 Received cheque from Rekha after deducting 5% cash discount to settled her account, this cheque is endorsed to Sapana.
- Sud-15 Purchased furniture of Rs.1200 from Metro Frurniture his dues are accepted by Kalpana Traders.
- Vad-2 A Receipt is received from creditor Pravinlal.
- Vad-5 Rs.500 given on 3 to 4 days credit to Puja.
- Vad-8 Bank has credited Rs.300 for interest and debited Rs.100 for commission.
- Vad-9 Rs.200 paid by some one, but his name is not recollected.
- Vad-12 A debtor Mafat is declared insolvent a cheque of Rs.8000 received from his receiver as last dividend at 60 paisa per rupee. The cheque is deposited in bank.
- Vad-13 Amount given to Puja on credit is not returned, so it is recorded in her account.
- Vad-14 Paid Rs.200 in orfange home on account of grand mother.
- Vad-14 Paid Rs.300 gift on marriage of our customer's son.
- Vad-15 Kept Rs.1000 on hand and balance is deposited in bank.
- From above transaction after recording in Bethomel prepare personal accounts in the Khatavahi of Chaitaly Stores.