



2018 III 07

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Seat No. :

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Time : 2½ Hours

ACCOUNTANCY (Old Pattern)

Subject Code

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Total No. of Questions : 6

(Printed Pages : 8)

Maximum Marks : 80

INSTRUCTIONS: I) *All questions are compulsory.*

II) *Figures to the right indicate full marks allotted to each question.*

III) *Working note should for part of the answer.*

IV) **Use** of simple and non-scientific calculator is **allowed**.
Mobile phones, Wrist watches or any such other electronic gadgets are not allowed.

V) *Fraction if any should be rounded off to the second digit after decimal point.*

VI) *Answer each question on a fresh page.*

1. A) Write the most appropriate answer from the alternatives given below the statement :

Leena and Meena are partners sharing profits in the ratio of 3:2. Veena is admitted for $\frac{5}{8}$ th share in the profits, which she acquired $\frac{3}{8}$ th from Leena and $\frac{2}{8}$ th from Meena. So, Leenas new share in profit will be _____ [1]

- 6/40
- 15/40
- 9/40
- 25/40

B) On what occasions does the need for valuation of Goodwill arises ? [2]



C) Ajay, Vijay and Sanjay were partners sharing profits in the ratio of 2:3:1. Their Balance Sheet was as follows :

Balance Sheet As on 31st March 2016

Liabilities	Amount	Assets	Amount
Ajay's Capital	1,08,000	Machinery	1,80,000
Vijay's Capital	1,20,000	Furniture	1,10,000
Sanjay's Capital	1,02,000	Sundry Debtors	60,000
Profit and Loss A/c	27,000	Loose Tools	40,000
Bank Loan	95,000	Inventories	38,000
		Bank	24,000
	4,52,000		4,52,000

Ajay retired on 1st April, 2016 and in this connection it was decided to make the following adjustments :

- 1) Machinery is to be appreciated by ₹ 25,400 and Furniture to be depreciated to 80%.
- 2) Provision for bad and doubtful debts is to be maintained at 2.5% on sundry debtors.
- 3) Inventories are found over valued by ₹ 4,000.
- 4) Goodwill of the firm is valued on the basis of two years purchase of the average profit of the last four years, which were :

Year	Profit/Loss (₹)
2014 – 15	38,000
2013 – 14	(11,000)
2012 – 13	54,000

Prepare :

- I) Revaluation Account. [3]
- II) Partners Capital Account. [5]
- III) Balance Sheet of the new firm. [4]

OR



- C) Nilesh, Ramesh and Umesh were partners sharing profits and losses in the ratio of 1:2:1. Their Balance Sheet as on 31st March 2016 was as follows :

Balance Sheet As on 31st March 2016

Liabilities	Amount	Assets	Amount
Nilesh's Capital	85,000	Building	1,40,000
Ramesh's Capital	59,500	Equipments	28,000
Umesh's Capital	75,500	Patents	27,000
General Reserve	28,000	Sundry Debtors	34,000
Sundry Creditors	22,000	Closing Stock	53,000
Outstanding Rent	32,000	Bank	20,000
	3,02,000		3,02,000

Umesh died on 30th June 2016 and it was agreed between his executor and the surviving partners that :

- 1) Building is to be appreciated to 125%, Equipments were found undervalued by ₹ 6,000 and closing stock valued at 90%.
- 2) Maintain provision for bad and doubtful debts at 5% on Sundry Debtors.
- 3) Umesh's share in profit till the date of his death to be calculated on the basis of average profit of last four years, which were :

Year	Profit/Loss (₹)
2015 – 16	60,000
2014 – 15	40,000
2013 – 14	(20,000)
2012 – 13	80,000

- 4) Umesh's Executors loan account is to be repaid in two equal quarterly installments with interest @ 12% p.a.

Prepare :

- i) Revaluation Account. [3]
 - ii) Partners Capital Account. [4]
 - iii) Umesh's Executors Loan Account. [4]
- Show : Umesh's share in accrued profit. [1]



2. A) Write the most appropriate answer from the alternatives given below the statement :

When a creditor accepts an asset whose value is more than the amount due to him, the differential amount of the asset paid by him will be credited to

[1]

- Bank Account
- Creditors Account
- Realisation Account
- Asset Account

- B) Naman, Mohan and Suman were partners sharing profits in the ratio of 2:2:3. Their Balance Sheet as on 31st March 2016 was as follows :

Balance Sheet As on 31st March 2016

Liabilities	Amount	Assets	Amount
Naman's Capital	2,50,000	Freehold Property	3,50,000
Mohan's Capital	3,00,000	Computers	1,00,000
Naman's Loan	50,000	Sundry Debtors	72,000
		Less : PBDD	<u>2,000</u>
			70,000
Sundry Creditors	42,000	Joint Life Policy	80,000
Bills Payable	58,000	Prepaid Insurance	10,000
		Suman's Capital	36,000
		Profit and Loss A/c	14,000
		Bank	40,000
	7,00,000		7,00,000

On the above date, it was resolved to dissolve the firm. The following information was available :

- 1) Assets realised as follows :

Freehold Property realised at a profit of 20%, computers realised at the book value and sundry debtors falling due on 30th September, 2016 were realised at a discount of 20%.

- 2) Joint life policy was surrendered for ₹ 77,360.



- 3) Mohan settled Sundry Creditors account at a discount of 2%.
4) Firm had to pay ₹ 4,000 for outstanding electricity bill not provided for in the above Balance Sheet.

Prepare :

- i) Realisation A/c. [6]
ii) Partners Capital A/c. [4]
iii) Bank A/c. [2]

3. A) Write the most appropriate answer from the alternatives given below the statement :

The total share capital amount received from the shareholders by the company is known as _____ [1]

- Subscribed Capital
- Paid up Capital
- Issued Capital
- Authorised Capital

- B) Amber Co. Ltd. issued 60,000, 10% Debentures of ₹ 100 each at a premium of 5% . The amount was payable as follows :

On Application ₹ 30 per Debenture

On Allotment ₹ 45 per Debenture (Including Premium)

On First Call ₹ 20 per Debenture

On Final Call ₹ 10 per Debenture

All the debentures were subscribed and the amount was duly received except the final call on 3,000 Debentures.

The Company purchased a Machinery worth ₹ 6,65 ,000 from Vistar Co. Ltd. It was agreed that the purchase consideration be paid by issuing 10% Debentures of ₹ 100 each at a discount of ₹ 5 per Debenture.

Prepare Journal in the books of Amber Co. Ltd., to record the above transactions. [12]

4. A) Write the most appropriate answer from the alternatives given below the statement. [1]

Analysis of Financial statement ignores _____

- Changes in cash flows
- Changes in inventories
- Changes in price
- Changes in Income Tax Rate



B) The following are the ledger balances extracted from the books of Samrat Co. Ltd., as on 31st March 2016.

Ledger Balances	Amount (₹)
Closing Inventories	40,000
Salaries	68,000
Provident Fund Contribution	22,000
Discount allowed	2,000
Trade Mark written off	25,000
Credit Sales	27,000
Cash Sales	4,42,000
Freight outward	20,000
Return Inward	10,000
Bad debts	3,000
Excise Duty	15,000
Income Tax Refund	18,000
Purchases	1,70,000
Provision for Tax	24,000
Travelling expenses	30,000
Commission received	6,000

Prepare Statement of Profit and Loss in a vertical format for the year ending 31st March, 2016, as per (revised) Schedule III of the Companies Act, 2013. [12]

5. A) Write the most appropriate answer from the alternatives given below the statement :

The accounting ratio used to know the ability of the business enterprise to settle its liabilities as and when they become due _____

[1]

- Solvency Ratio.
- Profitability Ratio.
- Liquidity Ratio.
- Turnover Ratio.

B) I) The following is the consolidated Balance Sheet of Saurabh Co. Ltd.

Balance Sheet as at 31st March, 2015 and 31st March, 2016.

Particulars	Note No.	31-03-2015 ₹	31-03-2016 ₹
I) Equity and Liabilities :			
1) Shareholders Fund :			
a) Share capital		9,80,000	8,60,000
b) Reserves and Surplus		1,72,000	88,000



2) Non-Current Liabilities :		
a) Long Term Borrowings	3,01,000	5,27,000
b) Long Term Provisions	48,000	1,20,000
3) Current Liabilities :		
Short Term Borrowings	55,000	95,000
	15,56,000	16,90,000

II) Assets :

1) Non-current Assets :		
a) Fixed Assets :		
Tangible Assets	7,30,000	6,40,000
b) Non-current Investments	2,16,000	1,13,000
c) Long term loans and advances	1,23,000	2,45,000
2) Current Assets :		
a) Inventories	96,000	1,74,000
b) Cash and Cash Equivalentts	38,000	76,000
c) Other Current Assets	3,53,000	4,42,000
	15,56,000	16,90,000

Prepare Comparative Balance Sheet.

[6]

B) II) a) Calculate Quick Ratio from the following information :

[3]

Particulars	₹
Debtors	78,000
Cash Credits	56,000
Trade Payables	69,000
Inventories	70,000
Cheques on hand	43,000



b) Calculate Proprietary Ratio from the following information : [3]

Particulars	₹
Equity share capital	3,00,000
Goodwill	1,80,000
General Reserve	38,000
Current Assets	50,000
Copyrights	42,000

6. A) Write the most appropriate answer from the alternatives given below the statement :

Interest received in cash from Loans and Advances by a Non-Financial company is treated as cash flow from _____ [1]

- Operating Activity
- Investing Activity
- Other Activity
- Financing Activity

B) The following are the Balance Sheets of Purva Co. Ltd.

Balance Sheet As on 31-3-2015 and 31-3-2016

Liabilities	2015	2016	Assets	2015	2016
Share Capital	5,00,000	6,20,000	Machinery	4,30,000	5,60,000
Profit and Loss A/c	2,10,000	3,00,000	Sundry Debtors	3,90,000	2,18,000
Mortgage Loan	2,00,000	1,50,000	Closing Inventory	1,00,000	1,65,000
Public Deposit (For 1 Year)	60,000	40,000	Bank Balance	60,000	1,85,000
Provision for Tax	10,000	18,000			
	9,80,000	11,28,000		9,80,000	11,28,000

Additional Information :

- 1) Income Tax paid during the year was ₹ 15,000.
- 2) A part of Machinery costing ₹ 2,30,000 (Accumulated depreciation ₹ 66,000) was sold for ₹ 1,15,000.

Prepare :

- 1) Cash flow statement as per (Revised) AS-3 [10½]
- 2) Machinery Account. [1½]