

2018
ACCOUNTANCY

Full marks : 70

Time : 3 hours

General instructions:

i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*

ii) *The question paper consists of 17 questions. All questions are compulsory.*

iii) *Marks are indicated against each question.*

iv) *Internal choice has been provided in some questions.*

N.B: *Check that all pages of the question paper is complete as indicated on the top left side.*

1. Write one importance of partnership deed. 1
2. What is meant by super profit? 1
3. What is meant by the reconstitution of a partnership firm? 1
4. State one objective of calculating gaining ratio. 1
5. What is the maximum number of days for receiving minimum subscription? 1
6. Under which heading is 'securities premium account' shown in the balance sheet of a company. 1
7. Write the full form of SEBI. 1
8. Write any three points of differences between fixed capital account and fluctuating capital account. 3
9. Explain any three differences between dissolution of partnership and dissolution of partnership firm. 3
10. Zee Ltd issued 10,000 shares of ₹ 10 each. Pass journal entries when:
a) Shares are issued at par;
b) Issued at 20% premium;
c) Issued at 10% discount. 3

11. Explain any three advantages of debentures. **3**
12. Write any three differences between balance sheet of a partnership firm and balance sheet of a company. **3**

13. a. Explain any six features of debentures.

Or

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- b. Excel Limited issued 10,000, 12% debentures of ₹ 100 each. Payable as follows: ₹ 10 with the application ₹ 40 with the allotment and the balance on final call. Mr. X the holder of 500 debentures paid the entire amount due with allotment and Mr. Y the holder of 200 debentures failed to pay the allotment and final call. Pass necessary journal entries in the books of Excel Limited.

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

2x6=12

- a. Explain any six tools of financial statement analysis.
- b. Prepare a Comparative Income Statement from the following information.

Particulars	2016(₹)	2017(₹)
Sales	2,00,000	2,50,000
Gross profit	50%	52%
Operating expenses	10,000	10,000
Other income	5,000	10,000
Tax rate	50%	50%

- c. From the following particulars, calculate :

(3+3=6)

- i) Current ratio ii) Acid test ratio

Information: Current liabilities ₹ 1,20,000, working capital ₹ 3,60,000, creditors ₹ 20,000 and inventory ₹ 1,20,000.

15. a. Bajaj Auto Limited issued a prospectus offering 10,000 equity shares of ₹ 10 each at par payable as follows:

On application and allotment ₹ 2

On 1st call ₹ 4

On final call ₹ 4

Alex the holder of 500 equity shares did not pay the amount due on both the calls. These 500 shares were forfeited by the Board of Directors and 300 of these shares were reissued subsequently at ₹ 9 per share fully paid up. Pass journal entries and Balance Sheet of the company.

Or

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- b. Asian Paints Limited was registered with an authorized capital of ₹ 50,00,000 divided in 50,000 shares of ₹ 100 each. Company issued 20,000 shares at a premium of ₹ 20 per share.

Amounts are receivable as ₹ 40 on application, ₹ 40 on allotment (including premium) ₹ 20 on first call and ₹ 20 on second call and final call.

All shares were subscribed and all money was duly received. Share issue expenses amounted to ₹ 20,000 which were fully written off against share premium account.

Pass necessary journal entries, prepare Bank Account and Balance Sheet.

16. a. The following is the balance sheet of X and Y as on 31st December, 2017

BALANCE SHEET of X and Y as on 31st December, 2017

Liabilities	₹	Assets	₹
Creditors	20,000	Bank	20,000
Bills payable	10,000	Debtors	10,000
General reserve	6,000	Furniture	4,000
Capital Accounts:		Buildings	27,000
X 15,000			
Y <u>10,000</u>	25,000		
	61,000		61,000

Z is admitted into the firm on the following conditions:

- i) Z brings ₹ 12,000 as his capital and ₹ 10,000 for his shares of goodwill and get $\frac{1}{4}$ th share in future profits.
- ii) Furniture and building be depreciated by 5%.
- iii) A reserve of 5% be calculated on debtors.
- iv) Capital account of old partners be adjusted on the basis of their old profit sharing arrangements(actual cash can be brought in or withdrawn).

Prepare Revaluation A/C, Partner's Capital A/C and the Balance Sheet of the new firm.

Or

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- b. A, B and C were trading in partnership on 31st March, 2017 the balance sheet of the firm stood as follows:

Balance Sheet of A, B and C as on 31st March, 2017

Liabilities	`	Assets	`
Creditors	27,000	Cash in hand	11,800
General reserve	24,000	Debtors	16,000
Bank Loan	10,000	Stock	23,200
Capital Accounts:		Buildings	46,000
A-30,000		Goodwill	30,000
B-20,000			
C- <u>16,000</u>	66,000		
	<u>1,27,000</u>		<u>1,27,000</u>

On 1st April, 2017, C retires and the following conditions were agreed upon;

- i) The value of building should be appreciated by ` 14,000.
- ii) Create provision @5% on debtors for bad and doubtful debts.
- iii) Goodwill of the firm was valued at ` 36,000 and it was decided not to show goodwill in the accounting books.
- iv) C be paid ` 10,400 in cash and the balance be transferred to his loan account.
Prepare Revaluation Account, Partners Capital Account and Opening Balance Sheet of continuing Partners.

17. a. From the following Balance Sheet of A Limited, prepare Cash Flow Statement as per AS-3(Revised).

**Balance Sheets of A Ltd.
as on 31st December, 2016 and 2017**

Liabilities	2016	2017	Assets	2016	2017
Equity Share capital	1,50,000	2,00,000	Goodwill	36,000	20,000
12% Preference share capital	75,000	50,000	Building	80,000	60,000
General reserve	20,000	35,000	Plant	40,000	1,00,000
Profit and loss A/c	15,000	24,000	Debtors	1,19,000	1,54,500
Creditors	37,500	49,500	Stock	10,000	15,000
			Cash	12,500	9,000
	<u>2,97,500</u>	<u>3,58,500</u>		<u>2,97,500</u>	<u>3,58,500</u>

Or

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- b. X Limited has submitted the following condensed balance sheet as on (31.12.2016) and (31.12.2017) prepare the Cash Flow Statement.

BALANCE SHEETS OF X LIMITED
as on 31st December, 2016 and 2017

Liabilities	2016	2017	Assets	2016	2017
Share capital	5,00,000	6,00,000	Fixed assets	12,00,000	13,50,000
General reserve	1,00,000	1,30,000	Less: Accumulated		
Public deposits	28,000	50,000	Depreciation	(4,00,000)	(4,50,000)
Retain earnings	70,000	90,000		8,00,000	9,00,000
6% Debentures	4,00,000	3,00,000	Stock	2,50,000	3,50,000
Loan on mortgage of building	-	50,000	Book debts	2,00,000	1,70,000
Creditor for goods	2,18,000	1,44,000	Cash in hand & at bank	1,00,000	30,000
Outstanding wages	4,000	6,000	Prepaid expenses	2,000	5,000
Provision for income tax	80,000	1,50,000	Short term investment	28,000	50,000
			Preliminary expenses	20,000	15,000
	14,00,000	15,20,000		14,00,000	15,20,000
