

2023
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 24 questions.*
- iii) Marks are indicated against each question.*
- iv) General 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. Define partnership. 1
2. Name any two essential elements of partnership. 1
3. State the accounting treatment of accumulated profits and general reserve. 1
4. How is sacrificing ratio calculated? 1
5. Mention any two factors affecting the valuation of goodwill. 1
6. Define company. 1
7. Write the nature of Debenture Allotment A/C. 1
8. X and Y started business on 1st April 2021 with capital of ` 3,00,000 and ` 1,80,000 respectively. On 1st May, X introduced an additional capital of ` 60,000 and Y withdrew ` 30,000 from his capital. On 1st October, 2021 X withdrew ` 1,20,000 from his capital and Y introduced ` 1,50,000. Interest on capital is allowed @ 6% per annum. Calculate the interest on capital for the year ending 31st March, 2022. 3
9. M, N and O are presently sharing profits and losses in the ratio of 5: 3: 2, decide to share future profits and losses equally with effect from 1st April 2022. The goodwill of the firm has been valued at ` 1,08,000. Goodwill already appearing in the books is at ` 18,000. Write the necessary accounting treatment. 3
10. Write any three points of difference between sacrificing ratio and gaining ratio. 3

11. D Limited has an authorized capital of ` 10,00,000 divided into equity shares of ` 10 each. The company invited applications for 40,000 shares. The issue was fully subscribed. All calls were made and were duly received except the final call of ` 2 per share on 1000 shares. 500 of these shares on which final call was not received were forfeited. Show how share capital will appear in the balance sheet of the company as per Schedule III to the Companies Act 2013. **3**

12. Explain three sources of redemption of debentures. **3**

Answer **any three (3)** from the following questions:

3x6=18

13. Write any six points of difference between reserve capital and capital reserve.

14. Zee Limited forfeited 50 shares of ` 100 each issued at 10% premium for non payment of allotment money of ` 30 per share (including premium) and first call of ` 30 per share. The second and final call of ` 20 per share was not yet called. 20 of these shares were re-issued at ` 80, paid up for ` 90 per share. Pass journal entries regarding forfeiture and re-issue of shares.

15. Explain any six types of debentures.

16. Write in brief any six limitations of financial analysis.

17. From the following information, prepare Comparative Statement of Profit and Loss

	31.3.2021	31.3.2022
Revenue from operations	200%	125%
(% cost of materials consumed)		
Cost of materials consumed	` 1,50,000	` 3,36,000
Other expenses (% of operating revenue)	10%	10%
Tax rate	30%	30%

18. X Limited has a current ratio of 4.5:1 and quick ratio of 3:1. If its inventories are ` 36,000, find out its total current assets, total current liabilities and quick assets.

Answer **any three (3)** from the following questions:

3x10=30

19. A, B and C were partners in a firm sharing profits and losses in the ratio of 5:3:2 respectively. A died on 28th February 2022. The Balance Sheet on that date was as follows:

Liabilities	`	Assets	`
A's capital	12,000	Goodwill	6,000
B's capital	16,000	Machinery	35,000
C's capital	12,000	Furniture	6,000
Contingency Reserve	12,000	Stock	9,000
Creditors	20,000	Debtors	15,000
Employees Provident Fund	2,000	Cash	3,000
	74,000		74,000

On A's death, the assets and liabilities were revalued as follows:

- i) Machinery ` 45,000 and furniture ` 7,000.
- ii) A provision of 10% was created for doubtful debts.
- iii) A provision of ` 15,000 was made for taxation.
- iv) The goodwill of the firm was valued at ` 21,000 on A's death.
- v) The amount payable to A was transferred to his executors account.

Prepare

- i) Revaluation Account,
- ii) Partners Capital Accounts and
- iii) Balance Sheet of B and C.

(3+4+3=10)

20. Following was the Balance Sheet of D, G and T

Liabilities	`	Assets	`
Creditors	30,000	Bank	12,000
Bills payable	6,000	Debtors	18,000
G's loan	4,800	Stock	12,000
R's loan	7,200	Furniture	9,000
General reserve	12,000	Land and building	1,47,000
D's capital	60,000	G's capital	12,000
T's capital	90,000		
	2,10,000		2,10,000

The firm was dissolved on the above date on the following terms:

- i) Debtors realized ` 16,800; creditors and bills payable were paid at a discount of 10%.
- ii) Stock was taken over by T for ` 9,000 and furniture was sold to W for ` 7,200.
- iii) Land and building was sold for ` 1,68,000.
- iv) R's Loan was paid by a cheque for the same amount.
- v) The firm had a joint life policy of ` 3,00,000 with a surrender value of ` 60,000. The policy was surrendered at its surrender value.

Prepare Realisation Account, Bank Account and Capital Accounts of D, G and T.

21. P Limited issued a prospectus inviting applications for 20,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows:

On application ₹ 2, on allotment ₹ 5 (including premium), on first call ₹ 3 and second & final call ₹ 2.

Applications were received for 30,000 shares. Applications for 2000 shares were accepted in full. Applications for ₹ 6,000 shares were rejected and prorata allotment was made to the remaining applicants. It was decided to utilize excess application money towards the amount due on allotment. All money was duly received except X to whom 400 shares were allotted and Y the holder of 600 shares failed to pay the two calls. Pass the necessary journal entries.

22. Z Limited offered 20,000 shares of ₹ 10, each at a premium of 10% payable as follows: On application ₹ 2 (1st January), on allotment ₹ 4 (including premium) (1st April), on 1st call ₹ 3 (1st June), on 2nd & final call ₹ 2 (1st August).

Applications were received for 18,000 shares and the directors made allotment. One share holder to whom 400 shares were allotted paid the entire balance on his share holdings with allotment money and another share holder did not pay allotment and first call money on his 600 shares but which he paid with final call.

Calculate the amount of interest received on calls in arrears on 1st August and also give journal entries to record the above transactions assuming that calls in arrears is maintained.

23. From the following information, prepare a Cash Flow Statement:

Balance Sheets as at 31.3.2021 & 31.3.2022

Particulars	31.3.2022	31.3.2021
I. Equity & Liabilities		
i) Shareholders' Funds:		
- Share Capital	10,00,000	7,00,000
- Reserves & Surplus (Profit & Loss A/C)	2,50,000	1,50,000
ii) Non Current Liabilities	-	-
iii) Current Liabilities		
Short-term provisions (proposed dividend)	50,000	40,000
Total	13,00,000	8,90,000
II. Assets		
i) Non Current Assets		
- Tangible Fixed Assets	8,00,000	5,00,000
ii) Current Assets		
- Inventories	1,00,000	75,000
- Cash & Cash Equivalent	4,00,000	3,15,000
Total	13,00,000	8,90,000

Additional information:

During the year, ₹ 50,000 depreciation has been charged to fixed asset; a piece of fixed assets costing ₹ 12,000 (book value ₹ 5,000) was sold at 60% profit on book value.

24. From the following information, prepare a Cash Flow Statement.

BALANCE SHEETS
as at 31st March, 2020 and 31st March, 2021

Particulars	31.03.2021	31 .03.2020
I. Equity & Liabilities		
i) Shareholders' Funds:		
- Share Capital	1,30,000	90,000
- Reserves and Surplus (Profit & Loss A/C)	85,000	50,000
ii) Non-Current Liabilities	-	-
iii) Current Liabilities		
- Trade Payables	22,000	17,400
Total	2,37,000	1,57,400
II. Assets		
i) Non Current Assets		
-Tangible Fixed Assets	1,66,000	93,400
-Intangible Assets (Goodwill)	-	1,000
ii) Current Assets		
- Inventories	21,000	22,000
- Trade Receivables	39,000	36,000
-Cash & Cash Equivalentents	6,000	5,000
- Short term loans & advances(advance tax)	5,000	-
Total	2,37,000	1,57,400

Additional information:

During the year, depreciation charged on fixed assets was ₹ 20,000 and income tax ₹ 5,000 was paid in advance.
