

Series : BT

Time : 3 Hrs.

Code : 67/6/2015-16

Max. Marks : 80

Part A

- Q.1** Z is admitted to a firm for 1/4th share in the profits for which he brings in ₹ 10,000 towards premium for goodwill. It will be taken by old partners in which ratio? (1)
- Q.2** As a director of a company, you had invited applications for 60,000 equity shares of ₹ 10 each at a premium of ₹ 2 each. The total application money received @ ₹ 2 per shares was 1,44,000. Name the kind of subscription.
- Q.3** In a partnership firm, partners desire to charge interest on drawings. However the partnership deed does not provide for charging interest on drawings. Suggest what steps can be taken by the partners so that firm can charge interest on drawings? (1)
- Q.4** The firm of A and B earned a profit of ₹ 2,75,000 during the year ending on 31st March, 2015. They have decided to donate 10% of this profit to an NGO working for senior citizens. Pass necessary journal entry for the distribution of profits. (1)
- Q.5** On admission of a new partner in a firm, an accountant is of the opinion that reserves and accumulated profits should not be distributed as there is no legal requirement and also he is of the opinion that if they are not distributed, they will remain in business and they can be distributed when a partner retires or when the firm is dissolved. Is the accountant correct? (1)
- Q.6** A company forfeited 2,000 shares of ₹ 10 each (which were issued at par) held by Mr. Kartik for non-payment of allotment money of ₹ 4 per share. The called-up value per share was ₹ 9. With what amount the share capital account would be debited on forfeiture. (1)
- Q.7** How are debentures disclosed in the balance sheet of a company? (3)
- Q.8** The Directors of a Company forfeited 400 shares of Rs. 10 each issued at a premium of Rs. 3 per shares, for the non-payment of the first Call Money of Rs. 3 per share. The final call of Rs. 2 per share has not been made. Half the forfeited shares were reissued at Rs. 2,000 fully paid. Record the Journal Entries for the forfeited & reissue of shares. (3)
- Q.9** P, M and N share profits in the ratio of 3:2:1. The profits of the last three years were ₹ 14,000, ₹ 8,400 and ₹ 10,600 respectively. N noticed that the profits were by mistake shared equally for all the three years. He informed P and M about this and now they decided to correct the error. Give necessary journal entry for the same. Identify the value show by N? (3)
- Q.10** Rajesh, Suresh & Mukesh are partners in a firm sharing profits & losses in the he ratio of 5:3:2. On March 31, 09 they mutually decide to change their ratio into equal ratio. On that date Workmen's Compensation Reserve was Rs. 1,00,000 & the claim on it was Rs. 10,000. Advertisement suspense A/c was Rs. 30,000. Goodwill was valued at Rs. 90,000 & profit on Revaluation of assets & liabilities was Rs. 30,000. Record the necessary Journal entry if the firm decide to make the necessary adjustments through the adjustment entry. (3)
- Q.11** Rahul Ltd has authorized capital of ₹ 6,00,000 divided into shares of ₹ 10 each. It offered public 20,000 shares at a premium of ₹ 4. Public applied for 25,000 shares . all applicant were allotted shares on prorata basis. One shareholder who was allotted 900 shares failed to pay first & final call of ₹ 4 per share. Out of these shares 700 shares were forfeited. 400 shares were reissued at ₹ 16 per share fully paid up. Prepare Balance sheet.
- Q.12** A, B and C were partners sharing profits and losses in the ratio of 5:3:2. On 31st December, 2014 their Balance Sheet was as follows:

Liability	₹	Assets	₹
Sundry Creditor	10,000	Goodwill	5,000
Employees' Provident Fund	2,000	Joint Life Policy	2,000
		(Sum Assured ₹20,000)	
Workmen Compensation Reserve	1,000	Leasehold Premises	20,000
Contingency Reserve	1,000	Patents	6,000
General Reserve	5,000	Machinery	30,000
<i>Fixed Capital Accounts :</i>		Stock	8,000
A	30,000	Sundry Debtors	8,000
B	25,000	Cash at Bank	9,000
C	15,000	Advertisement Suspense A/c	1,000
	89,000		89,000

C died on 1st May, 2015. It was agreed between his executors and the remaining partners that :-

- Goodwill should be valued at 2½ years' purchase of average of four years' profits which were : 2011, ₹ 13,000; 2012 ₹ 12,000, 2013 ₹ 16,000 and 2014 ₹ 15,000.
- Patents to be valued at ₹ 8,000. Machinery at ₹ 28,000 and Leasehold Premises at ₹ 25,000 as on 1st May 2015.
- Profit during 2015 should be taken to have accrued on the same scale as 2014 for the purpose of calculating C's share.
- A sum of ₹7,800 to be paid immediately and the remainder to be paid in four equal half-yearly installments together with interest at 6% per annum.

Required : prepare C's Executors' Account till final settlement.

- Q.13** Amit and Sumit are partners with a capital of ₹ 2,00,000 and ₹ 1,50,000 respectively . The net profit for the year ending 2014 amounted to ₹ 2,51,750 before considering the following.
- Amit advanced loan to the firm amounting ₹ 1,00,000.
 - Interest on capital be allowed @5% p.a.
 - Interest on drawing be allowed @5% p.a. Drawings of Amit was ₹ 40,000 and of Sumit was ₹ 30,000.
 - Amit was allowed commission @2% on sales which was ₹ 15,00,000 while Sumit was allowed commission @ 10% on distributable profit before charging his commission but after charging Amit's commission .
 - It was also decided to keep 10% of divisible profit to Reserve Account.
- Prepare Profit and Loss Appropriation Account. **(6)**

- Q.14** Balaji Ltd on 1st April, 2012 acquired assets of the value of ₹ 12,00,000 and liabilities worth ₹ 1,40,000 from Sultan Ltd at an agreed value of ₹ 11,00,000. Balaji Ltd issued 12% debentures of ₹ 100 each at a premium of 10% in full satisfaction of purchase consideration. The debentures were redeemable 3 years later at a premium of 5%. Pass entries to record the above, including redemption of debentures. **(6)**

- Q.15** A, B and C were partners in a firm sharing profits in the ratio of 2:2:1. On 28th February, 2015, their firm was dissolved.

From the following information complete realization account, partners' capital account and cash account. **(6)**

Realisation Account			
Dr		Cr	
Particulars	Amt (₹)	Particulars	Amt (₹)
To Sundry Assets A/c	2,60,000	By Creditors	1,60,000
To A's Capital A/c (Creditors)	1,50,000	By C's Capital A/c (Sundry assets)	1,30,000
To B's Capital A/c	10,000	By
(Realisation Expense)			
	4,20,000		4,20,000

Partners' Capital Accounts							
Dr				Cr			
Particulars	A	B	C	Particulars	A	B	C
To Balance b/d			46,000	By Balance b/d	1,50,000	10,000	
To	-----	-----	-----	By Realisation A/c	
To Realisation A/c (Assets)			1,30,000	By Cash A/c (Cash brought)		32,000	2,02,000
To Cash A/c (Final Payment)	2,48,000						
	3,00,000	52,000	2,02,000		3,00,000	52,000	2,02,000

Cash Account			
Dr		Cr	
Particulars	Amt (₹)	Particulars	Amt (₹)
To Balance b/d	14,000	By
To		
To		
	2,48,000		2,48,000

- Q.16** Radhika Ltd issued for public subscription 50,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as under
- On application ₹ 6 per share; on allotment ₹ 3 per share (including premium) and on call ₹ 3 per share.
- Application were received for 68,000 shares. Allotment was made, pro-rata to the applications for 60,000 shares, the remaining being rejected. Money overpaid on applications was applied towards sum due on allotment.
- Chandra, who applied for 1,800 shares failed to pay the allotment money and his shares were forfeited. Jack to whom 2,000 shares were allotted, failed to pay the call money. These shares were subsequently forfeited. Record journal entries in the books of the company. Identify the value being violated by the company and the shareholder. **(8)**

- Q.17** A and B are partners with 3:2 ratio. Their balance is given below

Balance Sheet
as at

Liabilities		Amt. (₹)	Assets		Amt. (₹)
Creditors		1,00,000	Cash		30,000
Bills payable		1,00,000	Bank		40,000
Profit and Loss		30,000	Debtors	61,000	
Reserve Fund		40,000	(-) Provision for doubtful	(1,000)	60,000
Workmen's Compensation Fund		30,000	Building		2,00,000
Investment Fluctuation fund		10,000	Machinery		1,00,000
Capital A/c			Investment (Market Value ₹ 36,000)		40,000
A	1,00,000		Patents		20,000
B	<u>1,00,000</u>	2,00,000	Goodwill		20,000
		5,10,000			5,10,000

Adjustments

- C comes as a new partner.
- New profit sharing ratio is 5:3:2.
- C brings capital ₹ 80,000 and premium ₹ 20,000 out of his share of ₹ 30,000.
- Make 10% provision for doubtful debts on debtors.
- Patents are valueless.
- Worker compensation liabilities fixed at ₹ 20,000.
- Building undervalued by 20 %.
- Machine overvalued by 25 %.

Prepare necessary accounts and balance sheet of the newly constituted firm.

(8)

PART-B

Q.18 Deprecation charged by a company will result into inflow, outflow or no flow of cash. Give reason.

Q.19 List any two items of operating activities, that is typical of and pertaining to Hotel Industry. (1)

Q.20 Mention any four items under the sub-heading 'current assets' and any four items under the sub-heading 'current liabilities' as per the provisions of Schedule III, Part I of the Companies Act, 2013. (4)

Q.21 From the following balance sheet, prepare the comparative balance sheet of Z Ltd. (4)

Particulars	31st March 2014(₹)	31st March 2015 (₹)
I. EQUITY AND LIABILITIES		
1. Shareholder's Funds		
(a) Share Capital	2,00,000	3,00,000
(b) Reserves and Surplus	2,00,000	2,00,000
2. Non-current Liabilities		
Long-term Borrowings	40,000	1,60,000
3. Current Liabilities		
Trade Payable (Creditors)	60,000	1,00,000
Total	5,00,000	7,60,000
II. ASSETS		
1. Non-current Assets		
(a) Fixed Assets (Tangible)	3,60,000	5,60,000
(b) Non-current Investments (Non-trade)	40,000	40,000
2. Current Assets		
Trade Receivables	1,00,000	1,60,000
Total	5,00,000	7,60,000

Q.22 Following is the statement of profit and loss of Goldy Ltd. for the year ended 31st March, 2015 and the balance sheet of the company as at that date. (4)

Statement of Profit and Loss

For the year ended 31st March, 2015

Particulars	Amt (₹)
Revenue from operation (Sales)	4,00,000
Expenses	
Purchase of Stock-in-trade	2,00,000
Changes in inventories (Opening Stock-Closing Stock) (50,000 – 60,000)	(10,000)
Employees Benefit Expenses (Salaries)	34,000
Other Expenses : Direct Expenses	16,000
Loan on Sale of Furniture	<u>20,000</u>
	<u>36,000</u>
Net Profit	1,40,000

BALANCE SHEET

as at 31st March, 2015

Particulars	Amt (₹)
I. EQUITY AND LIABILITIES	
1. Shareholder's Funds	
(a) Share Capital	2,00,000

(b) Reserves and Surplus	1,40,000
2. Current Liabilities	
(a) Trade Payables	1,90,000
(b) Other Current Liabilities	70,000
Total	6,00,000
II. ASSETS	
1. Non-current Assets	
Fixed Assets (Tangible)	4,00,000
2. Current Assets	
(a) Inventories	60,000
(b) Trade Receivables	1,00,000
(c) Cash and Cash Equivalents	40,000
Total	6,00,000

Calculate from the following ratios

- Quick ratio
- Inventory turnover ratio
- Return on Investment (ROI)

Q.23 From the following balance sheet of Ravi Ltd, prepare cash flow statement as per AS-3. **(6)**

BALANCE SHEET
as at

Particulars	Note No.	31st March 2014 (₹)	31st March 2015 (₹)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital	1	8,00,000	10,00,000
(b) Reserves and Surplus	2	2,04,000	5,00,000
2. Non Current Liabilities			
10% Debentures		2,50,000	4,00,000
3. Current Liabilities			
(a) Trade Payables		1,66,000	30,000
(b) Short-term Borrowing (Bank overdraft)		22,000	24,000
(c) Short-term Provision : Provision for Tax		22,000	36,000
Total		14,64,000	19,90,000
II. ASSETS			
3. Non-current Assets			
(a) Fixed Assets	3	12,20,000	17,20,000
(b) 10% Long-term Investment (Non-current)		60,000	1,00,000
4. Current Assets			
(a) Trade Inventories		1,60,000	1,22,000
(b) Cash and Cash Equivalents	4	12,000	20,000
(c) Short-term Investment (Current)		12,000	28,000
Total		14,64,000	19,90,000
Notes to Accounts			
Particulars		2014 (₹)	2015 (₹)
1. Share Capital			
Equity Share Capital		4,00,000	7,00,000
12% Preference Share Capital		4,00,000	3,00,000
		8,00,000	10,00,000
2. Reserves and Surplus			
General Reserve		2,04,000	5,00,000
		2,04,000	5,00,000
3. Fixed Assets (Tangible)			
Fixed Assets		14,20,000	20,20,000
Accumulated Depreciation		(2,00,000)	(3,00,000)
		12,20,000	17,20,000
4. Cash and Cash Equivalents			
Cash		2,000	16,000
Bank		10,000	4,000
		12,000	20,000

Additional Information

- Preference shares were redeemed on 31st March, 2015 at a premium of 10%
- Dividend at 12% was paid to equity shareholders for the year 2013-14.
- Fresh debentures were issued on 1st April, 2014.