



Soln:-

Ques:- 4, A - Part

JOURNAL

Date	Particulars	CF	P1. Amount (₹)	P2. Amount (₹)
	Profit & Loss Appropriation A/c			
	To General Reserve A/c		1,20,000	
	(Being 20% of the profit transfer to reserve.)			1,20,000

Ques:- 5.

Ans:-  
Basis

Sacrificing Ratio

It is the ratio in which

Old partner surrenders a part of their share of profit in favour of a new partner.

Gaining Ratio

It is the ratio in which

Remaining partners acquire the outgoing partner's share of Profit.

Meaning:-

Ques:- 5

Ques:- 5. A & B have a profit & loss account...

Ques :- 6.

Ans :- It is that portion of subscribed capital, remaining uncalled which is not capable of being called up except in the event and for the purpose of the company being wound up.

Ques :- 7.

Ans :- this is case of over-subscription. three alternatives are :-

- Rejection of excess application.
- Pro-rata allotment.
- Rejection cum Pro-rata allotment.

Ques :- 8.

Soln :- In the books of orchid Ltd.

JOURNAL.

Date	Particulars.	Dr.	Cr.
00FF	Machinery A/c		12,50,000
00FF	To Vendor.	12,50,000	
	(Being fixed assets purchased.)		

Date	Particulars	Dr.	Cr.
	Vendor		Dr. 12,50,000
	To 9% Debentures A/c		10,00,000
	To Securities Premium A/c		2,50,000
	(Being 1,00,000 debentures of ₹1,000 issued at 25% premium.)		
	No. of Debentures = $\frac{12,50,000}{1,250}$ = 1,00,000 Debentures.		

Ques :- 9.

Soln :- In the books of

JOURNAL.

Date	Particulars	Dr.	Cr.
	Ram's current A/c	Dr. 13,733	Dr. Amount (in ₹) Cr.
	Shyam's current A/c	Dr. 1,500	
	To Shanchayam's current A/c		7,700
	To Radheashyam's current A/c		7,533
	(Being adj. entry passed for commission of interest on Capital & Int. on Drawings.)		

Dr.

Particulars

To Interest on capital

Ram	14,400
Shyam	21,600
Chandrayam	28,800
Radheshyam	<u>21,600</u>

Profit & Loss Adjustment A/c

Amount (in ₹)

Particulars:

By Interest on Drawings :-

Ram	4,000
Shyam	5,000
Chandrayam	3,000
Radheshyam.	<u>2,000</u>
By losses transf :-	
Ram	24,133
Shyam	18,100
Chandrayam	18,100
Radheshyam.	<u>12,067</u>
	<u>72,400</u>
	<u>86,400</u>

Amount (in ₹).

Cr

Statement Showing Adjustment.

Particulars	Dr.	Ram Cr.	Dr.	Shyam Cr.	Dr.	Chandrayam Cr.	Dr.	Radheshyam Cr.
Interest on capital		14,400						
Interest on drawings.	4,000		5,000					
Losses transfer.	24,133		18,100		18,100			

	13,733		1,500		7,700			7,533.
	(Dr.)		(Dr.)		(Cr.)			(Cr.)

Soln: In the books of MNO Ltd.

Balance Sheet

as at 31-12-1998

EQUITY AND LIABILITIES.

Shareholder's fund

Share capital

5,000

Notes Account

Note 1. Share capital

Authorized capital

50,000 Equity shares @ £10 each

Issued capital

40,000 equity shares @ £10 each

Subscribed capital

Subscribed capital not fully paid

£10,000 shares @ £10, £5 called up

Loan call-in - arrears

Particulars	Note No.	Amount (£m)
Authorized capital		5,00,000
Issued capital		40,00,000
Subscribed capital not fully paid		10,00,000
Loan call-in - arrears		1,94,000
<b>Total</b>		<b>1,94,000</b>

Soln :-

Journal

Date	Particulars	LF	Dr. Amount (₹)	Cr. Amount (₹)
	Cash A/c _____ To Navesh's capital A/c. (Being incoming partner brings his capital in cash.)		20,000	20,000
	Suresh's capital A/c _____ To Cash A/c. (Being capital of adjusted through cash.)		5,000	5,000
	Cash A/c _____ To Mahesh's capital A/c (Being capital of adjusted through cash.)		3,000	3,000

Let the profit be 1.

Navesh's share =  $\frac{1}{4}$

Remaining partner's share =  $1 - \frac{1}{4} = \frac{3}{4}$

Suresh's new share =  $\frac{3}{4} \times \frac{3}{4} = \frac{9}{16}$

Share: Mahesh: Navesh.

Mahesh's new share =  $\frac{3}{4} \times \frac{1}{4} = \frac{3}{16}$

$9:3:4$

Navesh =  $\frac{1}{4} \times \frac{4}{4} = \frac{1}{4}$





Ques :- 12 ..

Dr.	Particulars	R's Capital A/c. Amount (in ₹)	Particulars	Amount (in ₹)
	To R's loan.	20,000	By Balance b/d	1,20,000
	To Entrepreneur's A/c.	1,80,700	By Reserves.	6,000
			By R's Capital A/c.	21,600
			By N's Capital A/c.	28,800
			By Profit & Loss Surplus A/c.	23,500
			By Interest on Capital	1,800
		<u>2,00,700</u>		<u>2,00,700</u>

R:O:N R died  
3:3:4 after 3 months

$9000 = 84,000 \times 2 = 1,68,000 \times \frac{3}{10} = ₹ 50,400$   
 $\swarrow \quad \searrow$   
 $30 \quad ₹ 21,600$   
 $40 \quad ₹ 28,800$

Profit share =  $\frac{2,00,000}{8,00,000} \times 3,00,000 = ₹ 75,000 \times \frac{3}{10} = ₹ 22,500$

Interest on Capital =  $1,20,000 \times \frac{6}{100} \times \frac{3}{12} = ₹ 1,800$

Value being highlighted :-

→ R showed responsibility and care towards under privileged section of society.  
 → R did his best by donating his property for the betterment of the society and upliftment of poor. He set a example for the society to follow.

Ques :- 14.

Interest on Capital ₹ 80,000  
 Salary ₹ 74,000  
 Profit ₹ 74,000

	R	I	
	₹ 60,000	₹ 40,000	₹ 1,80,000
	₹ 48,000	₹ 24,000	₹ 72,000
	₹ 44,000	₹ 29,600	
	₹ 92,400	₹ 7,600	
	₹ 7,600		
	From M.	₹ 22,000	

Particulars ₹ 1,00,000

Being amt. of ₹ 58,000

$008.17 = \frac{2}{15} \times 000,001 =$  (which is constant)

Soln:-

D.

Profit and Loss Appropriation A/c.  
for the year ending 31st March, 2015.

C1

Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To Interest on Capital:		By Net Profit	4,00,000
R's Capital	80,000		
I's Capital	60,000		
M's Capital	40,000		
To Salary:			
I's Capital	48,000		
M's Capital	24,000		
To Profit Transfer:-			
R's Capital	74,000		
I's Capital	44,400		
Add from M.	7,600		
M's Capital	29,600		
Loss to I.	7,600		
	22,000		
	52,000		
	74,000		
	4,00,000		4,00,000

Soln:- Ques :- 14. (a) JOURNAL.

Date	Particulars.	Dr.	Cr.
	Bank A/c	20,00,000	
	To Debentures Application and Allotment A/c.		20,00,000.
	(Being app. amt. on 20,000 Debs. @ ₹ 100 per debenture received.)		

	Debentures Application and Allotment A/c	20,00,000	
	10% on issue of Debentures A/c	2,00,000.	
	To 12% Debentures A/c		20,00,000
	To Premium on Redemption of Debentures A/c.		2,00,000
	(Being 20,000 Debentures issued at par, Redeemable) at 10% premium.		

Ques :- 14 (b).

Date	Particulars.	Dr.	Cr.
	Bank A/c	47,250	
	To Debentures Application & Allotment A/c.		47,250.
	(Being app. amt. on 450 debentures received at premium of 5%.)		

Date	Particulars.	Dr.	Cr.	Amount (in ₹)	Dr.	Cr.
	Debitures Application and Allotment A/c	Dr.		47,250.		
	Loss on issue of Debitures A/c	Dr.		4,500.		
	To 15% Debitures A/c		Dr.		45,000	2,250
	To Securities Premium A/c		Dr.		4,500	
	To Premium on Redemption of Debitures A/c		Dr.			
	(Being 450 debentures issued at premium, redeemable at Premium.)					

Soln:-  
 Ques:- 14(c)  
 JOURNAL.

Date	Particulars	Dr.	Cr.	Amount (in ₹)	Dr.	Cr.
	Own Debitures A/c	Dr.		2,91,000		
	To Bank A/c		Dr.		2,91,000	
	(Being 3,000 debentures purchase from open market at ₹97.)					

Date	Particulars	Dr.	Cr.	Amount (in ₹)	Dr.	Cr.
	9% Debitures A/c	Dr.		3,00,000		
	To Own Debitures A/c		Dr.		2,91,000	
	To Gain on cancellation of Debitures A/c		Dr.		9,000	
	(Being 3,000 debenture purchase from open market cancelled.)					

Date

Particulars

LF

Dr. Amount (in ₹) Cr. Amount

Gain on commutation A/c

9,000

9,000

To Capital Reserve A/c  
(Being profit on commutation transferred to Cap. Reserve)

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Dr. Amount

(Being profit on commutation transferred to Cap. Reserve)

000000

Dr. Amount

000000

(Being profit on commutation transferred to Cap. Reserve)

000000

Dr. Amount

000000

(Being profit on commutation transferred to Cap. Reserve)