

2nd Full Test.

Code :- 67/2/2015-16.

PART A:

Ques:- 1. (a) Capital A/c.

Ans:- (a) Q. Capital A/c.

Ques:- 2.

Soln:-

$$A's \text{ sacrifice} = \frac{1}{3} \times \frac{2}{3} = \frac{2}{9}$$

$$B's \text{ sacrifice} = \frac{1}{3} \times \frac{1}{3} = \frac{1}{9}$$

$$A's \text{ new share} = \frac{2}{3} - \frac{2}{9} = \frac{4}{9}$$

$$B's \text{ new share} = \frac{1}{3} - \frac{1}{9} = \frac{2}{9}$$

$$C's \text{ share} = \frac{1}{3} \times \frac{3}{3} = \frac{3}{9}$$

A : B : C
4 : 2 : 3

AI-2105/5752-1260

Ques:- 3. 1999

Soln:- In the books of Kamath Ltd

Journal

Date	Particulars	Dr.	Cr.	Amount (in ₹)
	Bank A/c (2,500 x 35)		Dr.	87,500
	To Share Capital A/c (2,500 x 10)			
	To Securities Premium A/c (2,500 x 7.5)			
	(Being 2,500 shares issued to employees under ESOP.)			
				1,25,000
				25,000
				1,87,500

Ques:- 4

Ans:- Partners wife loan is a part of outside liability so it is credited to Realisation A/c and is paid. Partner's loan is not a part of outside liabilities so it is not transferred to Realisation A/c. A separate partner's loan A/c is opened. Partner's loan is paid only if surplus remains after payment of outside liabilities.

Dr: B: A
Cr: S: A

20/11/2015-16.

Ques:-5.10

... for ...

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 ...
 ...
 ...

Ques:-6.

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21 x 100000 = 21,00,000

Date	Particulars.	LF	D1. Amount (₹)	C1.	
	Workmen compensation fund A/c		50,000		
	To claim against workmen comp. A/c			14,000	
	To A's capital A/c			18,000	
	To B's capital A/c			12,000	
	To C's capital A/c			6,000	
	(Being workmen compensation transfer in)				
	OPSR 3:2:1				

...
 ...
 ...
 ...
 ...

Ques:- 7.

Soln:- (i) on the basis of Super profit :-

Profit	2007-08	₹ 1,90,000	Average profit = $\frac{₹ 6,60,000}{3}$ = ₹ 2,20,000.
	2008-09	₹ 3,20,000	
	2009-10	₹ 3,50,000	
		<u>₹ 6,60,000</u>	

$$\text{Normal profit} = ₹ 4,00,000 \times \frac{15}{100} = ₹ 60,000.$$

$$\text{Super profit} = \text{Average profit} - \text{Normal profit}$$

₹ 3,20,000	₹ 3,20,000
₹ 60,000	<u>₹ 2,60,000</u>

Less Remuneration to partners. ₹ 1,00,000

₹ 60,000

$$\begin{aligned} \text{Goodwill} &= \text{Super profit} \times \text{No. of years purchased.} \\ &= ₹ 60,000 \times 2 \\ &= ₹ 1,20,000. \end{aligned}$$

Soln:- (ii) By Capitalization Method.

Goodwill = Capitalized value of Super profit.

$$= \text{Super profit} \times \frac{100}{\text{Rate}}$$

$$= ₹ 60,000 \times \frac{100}{15} = ₹ 4,00,000.$$

$$\boxed{\text{Goodwill} = ₹ 4,00,000}$$

Ques-8.

$$X:Y:Z$$

$$3:3:2$$

$$X:Y:Z$$

$$2:3:3$$

Net Admissible amt. =

Goodwill 45,000

Profitation 25,000

70,000

Less Abut. Swph. (10,000)

₹ 60,000

$$X's \text{ sacrifice} = \frac{3}{8} - \frac{2}{8} = \frac{1}{8} \times 60,000 = ₹ 7,500$$

$$Y's \text{ sacrifice} = \frac{3}{8} - \frac{3}{8} = 0.$$

$$Z's \text{ sacrifice} = \frac{2}{8} - \frac{3}{8} = -\frac{1}{8} \times 60,000 = ₹ 7,500 \text{ (Dr.)}$$

Soln:-

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Date	Particulars:	LF	Dr.	Amount (in ₹)	Cr.
	Z's Capital A/c		Dr.	7,500	
	To X's Capital A/c				7,500
	(Being adjustment entry passed for goodwill & Reserve due to change in PSR.)				

Ques:- 9.

Total no. of shares Allotted. 45,000
 Less no. of shares forfeited 600

44,400

Add No. of shares Reissued.

44,850

Less no. of shares in arrears.

400

44,450

Call-in-Arears = $400 \times 2 = ₹ 800$.

600 received ₹ 8.

450 x 8

= ₹ 3,600

₹ 1,200

Less Used.

Share forfeited

Capital ₹ 3,600
 Reserve

(100) 100 x ₹ 5 = 1000

8

8

8

Soln:-

Balance Sheet of X Ltd.
as at --/--/--

Particulars.	Note No.	Amount (in ₹)
<u>EQUITY & LIABILITIES.</u>		
<u>SHAREHOLDER'S FUND.</u>		
a) Share capital	1.	4,48,900
b) Reserve & Surplus.	2.	3,600
		<u>4,52,500.</u>

Notes:-

Note 1. Share capital

Authorized capital

1,00,000 shares of ₹10 each.

10,00,000

Issued capital

50,000 shares @ ₹10 each.

5,00,000

Subscribed capital.

Subscribed capital fully paid up.

44,450 shares @ ₹10 each, fully paid up.

4,44,500.

Subscribed capital not fully paid up.

400 shares @ ₹10 each.

₹ call-in - Arrear.

Add Share forfeited.

4,000
800
 3,200
1,200

4,400

Note 2. RESERVES & SURPLUS.

Capital Reserve.

4,48,900
3,600

Soln:- In the books of X Ltd.

QUES:- 10
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Date	Particulars.	₹	₹
	Building A/c		
	To Gupta & Co.		
	(Being assets purchased.)		
		Dr.	Cr.
		14,80,000	14,80,000
			Dr. Amount (in ₹) Cr.

Date	Particulars	Dr.	Cr.	Amount (in ₹)	Dr.
	Gupta & Co.		Dr.	11,00,000	
	To Share Capital A/c			10,00,000	
	To Securities Premium A/c			1,00,000	
	(Being 10,000 shares of ₹ 100 each issued at 107% premium.)				

	Gupta & Co	Dr.		3,80,000	
	Discount on issue of Debentures A/c	Dr.		20,000	
	Loss on issue of Debentures A/c	Dr.		16,000	
	To 9% Debentures A/c				4,00,000
	To Premium on Redemption of Debentures A/c				16,000
	(Being 4,00,000 Debentures @ ₹ 100 each issued at 5% discount, redeemable at 4% Premium.)				
	(No. of Debentures = $\frac{3,80,000}{95} = 4,000$ Deb.)				

Ques :- 11

Ans :- values :-

- i) Promotion of sports.
- ii) Promotion of Entrepreneurship (Start up India).
- iii) Sensitivity toward Sportsperson.

Ques:- 11.

Revaluation A/c

Dr.		Cr.	
Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To Provision for Doubtful Debt.	500	By Creditors	2,500
To Provision for Div. on Pro.	570	By Prov. for Div. on Revaluation	750
To Fixed Assets	6,000	By Losses transfer:-	
		P	2,865
		Q	955
			<u>3,820.</u>
			<u>7,070.</u>

Dr.

Partners' Capital A/c

Dr.		Cr.	
Particulars	P	Q	R.
To Revaluation A/c	2,865	955	
To P & L A/c.	7,500	2,500	
To Goodwill	6,000	2,000	
To P's Capital A/c.		1,000	
			30,000
			<u>40,000</u>
			<u>70,000</u>

To balance c/d

75,000	45,000	30,000
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91,365	51,455	30,000
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**Balance Sheet of Newly Reconstituted firm
as at 31st March 2014.**

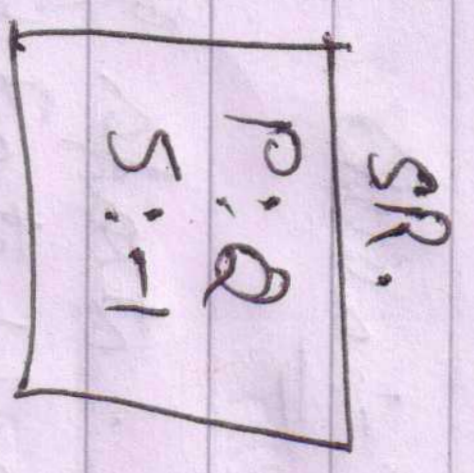
Liabilities-	Amount (in ₹)	Assets	Amount (in ₹)
Creditors	40,000	Bank	49,820
Pay. Inv. bal.	<u>2,500</u>	Debtors	30,000
	37,500	Long Provision for Debt	1,500
Long Prov. for Div.	<u>750</u>		<u>28,500</u>
Bills payable		Long Provision for Div.	570
Capital:		Stocks	50,000
P	75,000	Fixed Assets	80,000
Q	45,000	R's Current	4,000
R	<u>30,000</u>		
	1,50,000		
	<u>2,11,750</u>		<u>2,11,750</u>

Sacrificing Ratio:

P:Q = 3:1
P:Q:R = 5:3:2

P's sacrifice = $\frac{3}{4} - \frac{5}{10} = \frac{5}{20}$

Q's sacrifice = $\frac{1}{4} - \frac{3}{20} = \frac{-1}{20}$



T. Capital of firm = 30,000 x 5 = ₹1,50,000

P:Q:R = 5:3:2

₹75,000 ₹45,000 ₹30,000

Ques:-12

Soln:- Statement showing calculation of opening capital:

Particulars		P	A
Closing balance of capital		1,00,000	70,000
Add Drawings:		-	15,000
		1,00,000	85,000
Less Profit credited (50,000 - 30,000)		10,000	10,000
Opening balance of capital		90,000	75,000

Dr. Particulars Amount (in ₹) Cr. Particulars Amount (in ₹)

To Interest on capital.	P	4,500	By Interest on Drawings.	P	1,200
	A	3,750		A	900
		8,250	By losses transferred:-	P	3,075
				A	3,075
					6,150
					8,250

Statement Showing Adjustment

Particulars	Dr.	P	Dr.	Q
Interest on capital			900	
Interest on drawings	1,200			3,750
Losses transfer	3,075		3,075	
		4,500		
			225	225
			(Dr.)	(Dr.)

Journal

Date	Particulars	L	Dr.	Amount (in ₹)	Cr.
	Dr's capital A/c			225	
	To P's capital A/c				225
	(Being adjustment entry made for omission of Int. on capital & Interest on drawings.)				
02/12				225	
					225

3,15,000
028,8
3,15,000

Ques:- 13. Partnership

Arvina : Kavina : Varuna

2 : 3 : 2

GR → Kavina's gain = $\frac{4}{7} - \frac{3}{7} = \frac{1}{7}$

GR → Kavina : Varuna

Varuna's gain = $\frac{3}{7} - \frac{2}{7} = \frac{1}{7}$

GR → Kavina : Varuna

Dr. Particulars.

Amount (in ₹)

To Machinery.

60,000

To Debit

By Land & Building A
By horse turf :-
Arvina
Kavina
Varuna

Amount (in ₹)

60,000

2,000

3,000

2,000

7,000

67,000

67,000

000213

000213

000213

Ques:- 13. Partnership

Arjuna : Kavarna : Varuna

2 : 3 : 2

GR → Kavarna's gain = $\frac{4}{7} - \frac{3}{7} = \frac{1}{7}$

GR → Kavarna : Varuna

Varuna's gain = $\frac{3}{7} - \frac{2}{7} = \frac{1}{7}$

GR → Kavarna : Varuna

Dr. Particulars.

Revaluation A/c.

Particulars

Amount (in ₹)

Amount (in ₹)

To Machinery.

By Land & Building A/c

60,000

60,000

To Deletion

By horse turf :-

7,000

2,000

3,000

2,000

7,000

67,000

67,000

Q1.

Partner's Capital A/c

Q2.

Particulars	Aruna	Kavina	Varuna	Particulars	Aruna	Kavina	Varuna
To Aruna's Capital A/c	2,00,000			By balance b/d	2,00,000	3,00,000	2,00,000
To Revaluation A/c (Losses)	3,000	3,000	3,000	By General Reserve	10,000	15,000	10,000
To Bank A/c	50,000			By work. Comp. Fund	3,000	3,000	3,000
To Aruna's Loan A/c	3,00,000			By Kavina's cap. A/c	20,000		
				By Varuna's cap. A/c	20,000		
To balance b/d		4,00,000	3,00,000	By Bank A/c		1,05,000	1,10,000
	2,52,000	4,23,000	3,22,000		2,58,000	4,23,000	3,22,000

Q1.

Bank A/c

Q2.

Particulars	Amount (in ₹)	Particulars	Amount (in ₹)
To balance b/d	1,00,000	By Aruna's Capital A/c	50,000
To Kavina's Capital A/c	1,05,000	By balance b/d	2,65,000
To Varuna's Capital A/c	1,10,000		
	3,15,000		3,15,000

Balance Sheet of Reconstituted firm.

as at 31st March 2009.

Liabilities:	Amount (in ₹)	Assets	Amount (in ₹)
Capital		Land and Building.	260,000
Kavina	4,00,000	Machinery	240,000
Varuna	<u>3,00,000</u>	Closing stocks	1,00,000
Aruna's loan	7,00,000	Deltas	93,000
Claim against workers.	2,00,000	Banda	2,65,000
Creditors	8,000		
	50,000		
	<u>9,58,000.</u>		<u>9,58,000</u>

Soln:-
Drues:- 14 (a)
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Date	Particulars.	Dr.	Cr.
	Banda A/c		1,10,000
	To Debentures Application & Allotment A/c	1,10,000	
	(Being app. amt. on 1000 Debentures @ ₹ 110 per debentures received)		

Date	Particulars	LF	Dr. Amount (in ₹)	Cr.
	Debitures Application & Allotment A/c _____ Dr.		1,10,000	
	To 15% Debitures A/c _____			1,00,000
	To Securities Premium A/c _____			10,000
	(Being 1,000 Debitures issued at Premium, redeemable at par.)			
(b)	Bank A/c _____ Dr.		2,10,000	
	To Debitures Application & Allotment A/c _____			2,10,000
	(Being 200 Debitures issued at 5% Premium)			
	Debitures Application & Allotment A/c _____ Dr.		21,000	
	For on issue of Debitures A/c _____ Dr.		1,000	
	To 8% Debitures A/c _____			20,000
	To Securities Premium A/c _____			1,000
	To Premium on Redemption of Debitures A/c _____			1,000
	(Being 200 Debitures, issued at Premium, redeemable at Premium.)			

Soln:-

Ques:- 15: Balance Sheet.

Liabilities.	Amount (£)	Assets	Amount (£)
Creditors	60,000	Cash in hand	22,500
Investment fluctuation fund.	6,000	Stocks	36,000
Resident fund.	12,000	Debtors	52,300
Commission Rec. in adv.	8,000	Plant	91,200
Bank overdraft	25,000	Investment	15,000
Capital		Profit & loss.	54,000
A	90,000		
B	60,000		
C	10,000		
	<u>1,60,000</u>		
		Bank A/c	<u>2,71,000</u>
			<u>2,71,000</u>

B.

Realization A/c

Particulars

Amount (in ₹)

To Sundry Assets :-

Stocks 36,000

Plant 91,300

Debtors 52,300

Investments 15,000

To Bank Bal.

By Salary 7,200

Comp. to emp. 9,800

Comm. Retained. 5,000

Reserve for Contingencies 1,000

Provident fund 25,000

Creditors 60,000

To A/c Capital A/c

(Comm.) 5,500

000 21

000 2

3,07,000

000 021

Particulars

Amount (in ₹)

By Sundry Liabilities :-

Creditors 60,000

Investment fluct. fund. 6,000

Provident fund. 12,000

Comm. Rec. in adv. 8,000

Bank (Assets Realized)

Debtors 30,000

Investments 11,250

Plant 92,750

Stocks 26,000

By Transfer:

A 55,500

B 37,000

C 18,500

1,11,000

3,07,000

000 021

C.

Dr.

Partners' Capital A/c

Particulars	A	B	C
To Profit & Loss A/c.	27,000	18,000	9,000
To Realization (Assets Realized.)	55,500	37,000	18,500
To Bank A/c.	13,000	5,000	
	<u>95,500</u>	<u>60,000</u>	<u>27,500</u>
By Balance b/d	90,000	60,000	10,000
By Realization A/c (Comm.)	5,500		
By Bank A/c			17,500
	<u>95,500</u>	<u>60,000</u>	<u>27,500</u>

Cr.

Bank A/c

Particulars	Amount (in ₹)
To Balance b/d (Cash)	22,500
To Realization A/c (Assets Realized.)	1,10,000
To Capital A/c	17,500
	<u>1,50,000</u>
By Balance b/d	22,500
By Realization A/c (Liabilities Discharge)	1,02,000
By Realization A/c (Commission returned)	5,000
By Capital A/c	13,000
By Capital A/c	5,000
	<u>1,50,000</u>