

2017

ACCOUNTANCY

Full Marks : 100

Pass Marks : 33

Time : Three Hours and *Fifteen Minutes

*(*15 minutes are given as extra time for reading questions)*

PART - A

PARTNERSHIP AND COMPANY ACCOUNTS

MARKS : 60

PART-B

ANALYSIS OF FINANCIAL STATEMENTS

MARKS : 40

INSTRUCTIONS

- I. *All the questions are compulsory.*
- II. *Marks are indicated on the right margin of each question.*
- III. *For question Nos. 1-3, 21 and 22, three alternatives are given of which one is correct or the best. Choose the correct or the best alternatives and rewrite them.*
- IV. *For question Nos. 4-6, 23 and 24 the answers and calculations may be as short as possible.*
- V. *For question Nos. 7-13, 25 and 26, answers and solutions are to be given as required.*
- VI. *For question Nos. 14-18, 27, 28 and 29 answers and solutions are to be given in detail.*
- VII. *Question Nos. 19, 20, 30 and 31 are Essay Type Questions. Calculations and solutions are to be shown as required.*

P.T.O.

PART-A

PARTNERSHIP AND COMPANY ACCOUNTS

MARKS : 60

1. The Companies Act, 2013 restricts the maximum number of partners in business firm at _____ 1
(A) 20
(B) 50
(C) 100
2. A new partner can be admitted only when _____ 1
(A) he brings Capital.
(B) he brings Capital and Goodwill.
(C) all partners of the firm have agreed.
3. Maximum paid up Capital of One Person Company is _____ 1
(A) ₹ 1,00,000
(B) ₹ 3,00,000
(C) ₹ 5,00,000
4. Can a Partner be exempted from sharing the losses of the firm ? If yes, under what circumstances ? 1
5. Write the Journal entry for the settlement of Partner's Loan by paying in Cash. 1
6. What is the maximum rate of Interest on Calls in Advance according to Table F schedule I of Companies Act 2013 ? 1
7. What is Partner's Current Account ? 2
8. Name the *two* basis for calculating the share of profit of a deceased partner. 2

9. State *two* features of a company. 2
10. What is meant by Sweat Equity Shares ? 2
11. In the absence of Partnership Deed, What are the rules relating to : 2
 (a) Interest on loan given by a partner and
 (b) profit sharing ratio ?
12. X, Y, and Z are partners sharing profit and loss in the ratio of 3 : 2 : 1. Y retires and $\frac{2}{5}$ of his share is taken up by X and remaining by Z. Calculate the new profit sharing ratio of X and Z. 2
13. Explain the issue of Debenture as Collateral Security. 2
14. On 1st January 2016, X and Y have fixed capitals of ₹4,00,000 and ₹5,00,000 respectively. Their partnership deed provides the following : 4
 (i) Interest on drawings are charged @ 12% p.a. and the drawings of X being ₹15,000 and Y amounted to ₹25,000.
 (ii) Y is entitled to a monthly salary of ₹1,000.
 Profit for the year ended 31 Dec. 2016 before adjusting interest on drawings but after charging salary amounted to ₹60,000.
 You are asked to prepare Profit and Loss appropriation Account for the Year ended 31 December 2016.
15. Information given : 4
 (a) Total Assets ₹5,00,000.
 (b) Amount realised on sale of Assets ₹4,20,000.
 (c) Cost of realisation of Assets ₹5,000
 (d) Amount paid to Creditors ₹1,00,000.
 You are required to show the amount to be debited to Capital Account by preparing a necessary account.
16. Shining India Ltd. was registered with a Capital of ₹10,00,000 divided into shares of ₹100 each. The Co. issued 8,000 shares payable ₹20 on Application, ₹25 on Allotment, ₹25 on 1st call and ₹20 on final call. 6,000 shares were subscribed, 1st call was made and paid up with the exception of 300 shares and the final call is not yet made.
 You are asked to find out the Amounts of Issued Capital, Subscribed Capital, Called up Capital and Paid up Capital. 4

17. Explain the issue of debenture of Premium. Taking imaginary example pass necessary Journal entry also. 4
18. On 1st October 2015 XYZ Ltd. has 5000, 14% Debentures of ₹100 each. Interest on these Debentures are payable half yearly i.e on 30th September and 31st March. Pass the necessary Journal entries for the year ended 31st March 2016 assuming that Income Tax is deducted @ 30% on the amount of Interest. 4
19. A and B share Profit on Loss in the ratio of 3:2. Their Balance Sheet as at 31.3.2016 was as follows :

Liabilities	Amount	Assets	Amount
Capitals		Building	3,00,000
A-	4,50,000	Machinery	2,20,000
B-	3,00,000	Investments	1,00,000
General Reserve	50,000	Debtors	80,000
Investment Fluctuation Fund	20,000	Stock	1,20,000
Creditor	30,000	Cash	30,000
	8,50,000		8,50,000

On the above data C is admitted on the following terms :

- (i) C brings in cash ₹ 1,00,000 as goodwill for his $\frac{1}{3}$ share in firm's profit and half of it is withdrawn by partners.
- (ii) C also brings in cash ₹ 1,50,000 and stock worth ₹ 50,000 for his capital.
- (iii) Investment was sold at ₹ 85,000 immediately before C's Admission. You are asked to draw up Capital Accounts of the Partners and New Balance Sheet of the New firm. 6+4=10
20. Elite Ltd. issued 5,000 Equity shares of ₹ 10 each at a premium of ₹ 1 per share payable ₹ 4 on Application, ₹ 3 including premium on Allotment and ₹ 4 on Final Call. 10

Applications for 6500 shares were received and Allotment was made as follows :

- (i) Full allotment to applicants of 4000 shares

(ii) 50% to applicants of 2000 shares and

(iii) nothing to 500 applicants.

Over payments on application were to be applied towards sum due on allotment and over payments on application exceeding sum due on allotment were to be returned. Where no allotment was made, money was to be returned in full.

A shareholder to whom 500 shares were allotted under full allotment group, paid full amount due on shares along with allotment money but another shareholder holding 100 shares failed to pay the amount due on final call. His shares were forfeited after the final call.

Give journal entries to record the above in the books of Elite Ltd.

PART-B

ANALYSIS OF FINANCIAL STATEMENTS

MARKS : 40

21. Ideal Current ratio is _____ . 1
- (A) 1 : 1
- (B) 2 : 1
- (C) 1 : 2
22. The Accounting Ratio which provides the information critical to long-run operation of the firm is _____ . 1
- (A) Solvency ratio
- (B) Liquidity ratio
- (C) Activity ratio.
23. List *any one* item of operating activities that are pertaining to film production unit. 1

24. Under which Accounting Standard Cash Flow Statement is prepared ? 1
25. What are non-operating expenses ? 2
26. Name *two* Activity ratios. 2
27. State *any four* objectives of Financial Statement Analysis. 4
28. Selfish Ltd. has provided the following informations of its company. 4

Year	2014-15	2015-16
Gross Profit	3,00,000	5,00,000
Gross Profit Ratio	25%	20%

You are asked to explain the reason for decreasing the Gross Profit Ratio even though there is increase in Gross Profit from 2014-15 to 2015-16.

29. Following is the Statement of Profit and Loss of Raj Ltd. for the year ended 31-3-2016. 4

PARTICULARS	AMOUNT
INCOME ;	
Revenue from operations	5,00,000
Other Income	50,000
EXPENSES ;	
Cost of Material Consumed	3,00,000
Other expenses	1,00,000
TAX	70,000

You are asked to prepare a Common Size Statement of Profit and Loss of Raj Ltd. for the year ended 31.3.2016.

30. Prepare a Cash-Flow Statement from the following Balance Sheets of B Ltd. 10

Particulars	Note No.	31.3.2016	31.3.2015
I. EQUITY AND LIABILITIES ;			
(1) Share holders funds :			
(a) Share Capital		2,50,000	1,70,000
(b) Reserve and Surplus	1	1,83,000	82,000
(2) Non Current Liabilities			
Long Term Borrowings	2	80,000	80,000
(3) Current Liabilities			
Trade Payables		1,40,000	1,10,000
Short Term Provisions	3	22,000	20,000
		6,75,000	4,62,000
II ASSETS ;			
(1) Non Current Assets ;			
(a) Fixed Tangible Assets		3,12,000	1,17,000
(b) Intangible Assets	4	30,000	55,000
(2) Current Assets ;			
(a) Inventory		2,06,000	1,50,000
(b) Trade Receivables		32,000	70,000
(c) Cash and Cash equivalent.		95,000	70,000
		6,75,000	4,62,000

Notes :	31.3.2016	31.3.2015
1. Reserve and Surplus :		
Profit and Loss Balance	<u>1,83,000</u>	<u>82,000</u>

