

2018

ACCOUNTANCY

Full Marks : 100

Pass Marks : 33

Time : Three hours

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, 20 and 21, four alternatives are given, choose the correct alternatives and rewrite them.*
- IV. *For question Nos. 4 to 6, 22 and 23, the answers and calculations may be as short as possible.*
- V. *For question Nos. 7 – 11 and 24 to 27, answers and solutions are to be given as required.*
- VI. *For question Nos. 12 – 17, 28 and 29 answers and solution are to be given in detail.*
- VII. *Question Nos. 18, 19, 30, 31 are Essay Type questions. Calculation and solutions are to be shown as required.*

P.T.O.

PART - A
PARTNERSHIP AND COMPANY ACCOUNTS

MARKS : 60

1. Number of partners in a partnership firm may be – 1
 - (A) maximum two
 - (B) maximum ten
 - (C) maximum fifty
 - (D) maximum one hundred

2. A, B and C are partners sharing profits in the ratio of $\frac{1}{2} : \frac{1}{4} : \frac{1}{4}$ respectively. New ratio on retirement of B will be – 1
 - (A) 2 : 4
 - (B) 1 : 2
 - (C) 2 : 1
 - (D) 1 : 1

3. Debenture issued as Collateral Security will be debited to – 1
 - (A) Bank A/C
 - (B) Debenture Suspense A/C
 - (C) Debenture A/C
 - (D) Bank loan A/C

4. When can a partner be exempted from sharing the losses of a firm? 1

5. Why does a partner bring Capital into the firm? 1

6. What is Redemption of Debenture? 1

7. How will you calculate interest on drawings when unequal amount is withdrawn at different dates ? 2
8. Write *two* distinction between drawing against profit and drawing against capital. 2
9. Point out the effects of forfeiture of shares. 2
10. What are the different ways for issuing debentures ? 2
11. Distinguish between Discount on issue of debenture and Loss on issue of debentures. 2
12. What are the features of purchased goodwill ? 4
13. X and Y are partners in a firm sharing profits in the ratio of 4 : 3. The firm was dissolved on 28-2-2017 Pass necessary journal entry for the following transactions :
- (a) Debtors ₹ 20,000 were taken over by X for ₹ 18,000
- (b) Creditors ₹ 15,000 were Paid at a discount of 5%
- (c) Expences of dissolution ₹ 1,000 paid by Y
- (d) Loss on realisation was ₹ 7,000 4
14. Why is it necessary to revalue the assets and liabilities of a firm on its reconstitution ? 4
15. What is over subscription ? State the alternative ways of allotment of shares in case of over subscription of shares. 1+3=4
16. VR Ltd. forfeited 1000 shares of ₹10 each (₹6 call up) issued at discount of 10 % to Y on which he had paid the application money of ₹ 2 per share. Out of these 800 shares were re-issued to Z at ₹ 6 per share ₹ 8 called up.
Give journal entry to record forfeiture and re - issue of shares in the books of the company. 4
17. Write *four* features of debentures. 4

18. On 31st March 2017 the Balance Sheet of Ram and Shyam who were sharing profits in the ratio of 3 : 1 was as follows : 10

Liabilities	Amount	Assets	Amount
	₹		₹
Creditors	2,800	Cash at bank	2,000
Employees' Provident Fund	1,200	Debtor	6,500
		Less Reserve for bad debts	500
General reserve	2,000		6,000
Capitals :		Stock	3,000
Ram	6,000	Investment	5,000
Shyam	4,000		
	16,000		16,000

They decide to admit Mohan on 1st April, 2017 for 1/5th in share on the following terms :

1. Mohan shall bring ₹ 6,000 as his share of premium
2. That unaccounted accrued income of ₹ 100 be provided for
3. The market value of investment was ₹ 4,500
4. A debtor whose due of ₹ 500 was written off as bad debts Paid ₹ 400 in full settlement
5. Mohan to bring in capital to the extent of 1/5 th of the total capital of the new firm

Prepare Revaluation A/C, Partner's Capital A/C and the Balance Sheet of the new firm.

19. H Company Ltd issued for public subscription of 1,20,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share payable as under : 10

With application	₹ 3 per share
On allotment (including premium)	₹ 5 per share
On 1st call	₹ 2 per share
On second and final call	₹ 2 per share

Applications were received for 1,60,000 shares allotment was made on pro-rata basis. Excess money on application was adjusted against the amount due on allotment. Rohan whom 4,800 shares were allotted failed to pay the two calls. These shares were subsequently forfeited after the second call was made. All the forfeited shares were re-issued to Teena as fully paid at ₹ 7 per share. Record Journal Entries in the books of the company.

PART – B
ANALYSIS OF FINANCIAL STATEMENTS
MARKS : 40

20. The _____ ratios are primarily measures of return. 1
- (a) Liquidity
- (b) Activity
- (c) Debt
- (d) Profitability

21. Inflow of cash will take place due to – 1
- (A) Issue of shares
- (B) Decrease in capital
- (C) Excess in the value of assets
- (D) Payment of tax
22. Write *one* significance of ratio analysis. 1
23. While preparing the cash flow statement of Neli Ltd. Dividend paid was shown as an operating activity by the accountant of the company. Was he correct in doing so? Give reason. 1
24. Write *two* sub-head items of shareholder's fund of a Company Balance Sheet. 2
25. How will you Consider Survey Debtor separately in Company Balance Sheet? 2
26. What is liquid ratio? State its importance. 2
27. Why is inventory excluded from liquid assets? 2
28. Maria Mineral Water Ltd, New Delhi decided to donate 5% of its net profit every year to a Non - Government Organisation engaged in providing clean drinking water in rural areas of Manipur.

Following particulars are related to the statement of profit and loss of the Company :

	31-3-2016	31-3-2017
	₹	₹
Revenue from operation	60,00,000	75,00,000
Other Incomes	1,50,000	1,20,000
Expenses	44,00,000	50,60,000
Income Tax	35%	40%

You are required to prepare Comparative Statement of profit and loss A/C. 4

29. From the following, calculate Inventory Turnover Ratio :

4

	₹
Opening inventory	28,000
Closing inventory	52,000
Revenue from operations	6,00,000
Gross profit	25% on cost of revenue from operation

30. The following are the figures relating to the activities of Valentina Ltd. 10

Gross profit ratio 20%

Gross profit ₹ 1,60,000

Opening total creditor ₹ 1,00,000

Debt collection period 3 months

Average creditor ₹ 1,22,500

Inventory turnover ratio 8 times

Cash sales being $33\frac{1}{3}$ % of credit sales closing inventory was ₹ 10,000 in excess of opening inventory.

Opening total debtor were less than the closing total debtors by ₹ 20,000

Closing bills receivable amounted to ₹ 25,000

Closing bills payable amounted to ₹ 10,000

Find out :

- Sales
- Closing inventory
- Closing Sundry Debtor
- Closing Sundry Creditor and
- Purchase

31. Rosh I.td. made a profit of ₹ 5,00,000 after considering the following terms :

10

	₹
I. Goodwill written off	5,000
II. Depreciation on fixed Tangible Assets	50,000
III. Loss on sales of fixed Tangible Assets (furniture)	20,000
IV. Provision for Doubtful Debts	10,000
V. Gain on sales of Fixed Tangible Assets (Machinery)	7,500

Other informations :

	31-3-2017	31-3-2016
	₹	₹
Trade Receivable	78,000	52,000
Prepaid Expenses	3,000	2,000
Trade Payables	51,000	40,000
Expenses Payable	20,000	34,000

You are required to calculate cash from Operating Activities from the above informations.