

2022

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, 2, 23 and 24, four alternatives are given of which one is correct or the best. Choose the correct or the best alternatives and re-write them.*
- IV. *For question Nos. 3 – 8, 25 and 26, the answers and calculations may be as short as possible.*
- V. *For question Nos. 9 – 14, and 27 – 32, answers and solutions are to be given as required.*
- VI. *For question Nos. 15 – 20 and 33 – 34, answers and solutions are to be given in detail.*
- VII. *Question Nos. 21, 22, 35 and 36 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. Partners are collectively called _____ . 1
 - (A) Partnership
 - (B) Firm
 - (C) Partnership deed
 - (D) Firm Name

2. Bearer Debentures are transferable by mere delivery whereas _____ are not freely transferable. 1
 - (A) Mortgage Debentures
 - (B) Convertible Debentures
 - (C) Registered Debentures
 - (D) Naked Debentures

3. In the absence of Partnership Deed, how are mutual relations of Partners governed? 1

4. What is meant by change in Profit Sharing Ratio? 1

5. Why are the heirs of a deceased partner are entitled to share of Goodwill of the firm? 1

6. Write a point of difference between Reserve Capital and Capital Reserve. 1

7. When does the need for a Pro-rata allotment arise? 1

8. How long will collateral security debentures continue to appear in the Balance Sheet? 1

9. X and Y are partners in 3:2 ratio. They made drawings of Rs. 60,000 in their profit ratio during the accounting year. Calculate interest on drawings @10% p.a. 2
10. The firm ABC earned a profit of Rs. 3,00,000 during the year ended 31st March, 2020. 10% of this profit was to be transferred to General Reserve. Pass the necessary journal entry with narration. 2
11. State the circumstances when Revaluation Account is credited. 2
12. Enumerate two essential features of private placement of shares. 2
13. Pass the necessary journal entry with the narration when 20,000 debentures of Rs. 100 each are issued as collateral security against a bank loan of Rs. 8,00,000. 2
14. 15,000, 10% debentures were issued by the Manipur Sports Ltd. During the year 2019-20, the company suffered a huge loss. Will debenture holders be entitled to interest of the year? Give reason in support of your answer. 2
15. S.K. firm has total assets worth Rs. 5,00,000 and external liabilities Rs. 1,00,000. The normal rate of return is 10%. The actual profits earned by the firm amounts to Rs. 55,000. Calculate the value of goodwill under capitalisation of super profit method. 4
16. X and Y were partners in a firm. They admitted Z as a new partner for 20% share in the profits. After all adjustments regarding general reserve, goodwill, gain or loss on revaluation, the balances in capital accounts of X and Y were Rs. 3,85,000 and Rs. 4,15,000 respectively. Z brought proportionate capital so as to give him 20% share in the profits. Calculate the amount of capital to be brought by Z. 4
17. P, Q and R are partners in a firm sharing profits in 3:2:1 ratio. Q decided to retire from the firm. On this date the books showed Profit and Loss Account (cr.) Rs. 24,000; Reserve Fund Rs. 12,000 and Deferred Advertisement Account Rs.3000.

Give necessary journal entries in the books of firm, when :

- (a) Accumulated profits or losses accounts are to be closed.
- (b) Only the share of retiring partner is to be credited or debited to him. 4
18. State the provisions of the Companies Act regarding the utilisation of share premium account. 4
19. Alex Ltd. forfeited 300 shares of Rs. 10 each, fully called up, held by Tej for non payment of allotment money of Rs. 3 per share and final call money of Rs. 4 per share. Out of these shares, 250 were re-issued to John for a total payment of Rs. 20,000. Show journal entries for forfeiture and re-issue. 4
20. P Ltd. took over the assets of Rs. 6,60,000 and liabilities of Rs. 80,000 of S Ltd. for an agreed purchase consideration of Rs. 6,00,000 payable 10% in cash and the balance by the issue of 15% Debentures of Rs. 100 each. Record journal entries in the books of P Ltd., assuming that –
- (a) such Debentures are issued at par, and
- (b) such Debentures are issued at 20% premium. 4
21. The following is the Balance Sheet of A, B and C as on 31st March, 2021. The firm was dissolved on this date.

Balance Sheet

LIABILITIES	Rs.	ASSETS	Rs.
Capital :			
A	40,000	Cash at Bank	6,000
B	30,000	Debtors	18,000
C	10,000	Less: Provisions	<u>2,000</u>
Reserves	6,000	Stock in Trade	12,000
Loan from Bank	23,000	Furniture	25,000
		Building	50,000
	1,09,000		1,09,000

Profit sharing ratio of A, B and C is 3:2:1. Firm realised Rs. 57,000 from building; Rs. 29,500 from furniture; Rs. 15,000 from stock and 100% from debtors. Loan from bank is paid at Rs. 3000 less. Realisation expenses were Rs. 4500, out of this Rs. 2000 were agreed to be paid by A and balance by the firm. Prepare :

(a) Realisation account and (b) Capital Account of partners. 5+3=8

22. CM Trading Ltd. Company with a Registered Capital of 5,00,000 Equity shares of Rs. 10 each, issued 1,00,000 Equity shares payable as under :

On Application	—	Rs. 3
On Allotment	—	Rs. 2
On First call	—	Rs. 3
On Second and Final call	—	Rs. 2

Applications were received fully. The amount due on Allotment was duly received except Mr. 'S' holding 6000 shares. His shares were immediately forfeited. On the first call being made, Mr. 'P' holding 5000 Equity shares paid the entire balance on his holding. Second and final call was not made. Pass journal entries in the books of the company. 8

PART – B

ANALYSIS OF FINANCIAL STATEMENTS

MARKS : 40

23. In India, which Companies Act is applicable now ? 1

- (A) 2016
- (B) 2013
- (C) 2011
- (D) 1956

24. _____ is a study of relationship among various financial factors in a business. 1

- (A) Vertical Analysis
- (B) Financial Analysis
- (C) Ratio Analysis
- (D) Business Analysis

25. If share capital is Rs. 40,000 and Reserve and Surplus Rs. 10,000. What is the value of Shareholders' Fund? 1
26. What is Average Payment Period? 1
27. State two purposes of Analysis of Financial Statement. 2
28. Give any two points of distinction between comparative statement and common size statement. 2
29. From the given information relating to V. Ltd, find out the profit after tax : 2

Particulars	Rs.
Revenue from operations	2,00,000
Cost of material consumed	1,00,000
Other expenses	20,000
Tax	10,000

30. What does low current ratio indicate ? 2
31. Point out two reasons for increase in working capital. 2
32. Calculate operating ratio from the following information : 2

Particulars	Rs.
Revenue from operations	2,00,000
Revenue from operation returns	20,000
Operating Expenses	55,000
Cost of Revenue from operations	1,70,000

33. The Imphal Traders carries an Average Inventory of Rs. 20,000. If the Inventory Turnover Ratio is 8 times and the trader sells goods at a profit of 20% on revenue from operations. Ascertain the profit of the trader. 4

34. Explain in brief four objectives of preparing cash flow statement. 4
35. From the following information, calculate : (a) Quick Ratio (b) Inventory Turnover Ratio and (c) Debt-Equity Ratio. 2+3+3=8

Information :

Particulars	Rs.
Opening Inventory	50,000
Current Assets	6,00,000
Closing Inventory	2,00,000
Cost of Revenue from operation	12,00,000
Gross Profit	2,00,000
Indirect Expenses	20,000
Equity share capital	7,00,000
10% preference share capital	3,00,000
12% Debentures	2,00,000
Current liabilities	2,00,000
General Reserve	1,00,000

36. Prepare a Cash Flow Statement on the basis of the information given in the Balance Sheet of SOBI Ltd. as on 31st March, 2020 and 2021 as per revised As-3 under indirect method :

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BALANCE SHEETS

Particulars	Note No.	31/3/2021	31/3/2020
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital		1,30,000	1,00,000
(b) Reserves & Surplus		1,00,000	80,000
2. Current Liabilities			
(a) Trade Payables		80,000	60,000
(b) Other current liabilities		55,000	50,000
	TOTAL	3,65,000	2,90,000
II. ASSETS			
1. Non-Current Assets			
(a) Fixed Assets:			
(i) Tangible Assets:		1,60,000	1,30,000
(b) Non-Current Investments		40,000	50,000
2. Current Assets			
(a) Inventories		65,000	40,000
(b) Trade Receivables		50,000	40,000
(c) Cash & Cash Equivalents		50,000	30,000
	TOTAL	3,65,000	2,90,000