

2024

## 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– 5 and 25 – 27, four alternatives are given of which one is correct or the best alternatives. Choose the correct or the best alternatives and re-write them.
- IV. For question Nos. 6 – 10 and 28 – 30, the answers and calculations may be as short as possible.
- V. For question Nos. 11 – 17 and 31 – 33, answers and solutions are to be given as required.
- VI. For question Nos. 18 – 22 and 34 – 36, answers and solutions are to be given in detail.
- VII. Question Nos. 23, 24, 37 and 38 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. Partnership deed is also known as \_\_\_\_\_. 1
- (A) Prospectus  
(B) Articles of Partnership  
(C) Articles of Association  
(D) Partnership Act
2. P and Q are partners in a firm sharing profits and losses in the ratio of 2 : 3. With effect 1<sup>st</sup> April, 2022, they decided to share profits equally. Due to change in profit sharing ratio, Q's gain or sacrifice will be \_\_\_\_\_. 1
- (A) Gain  $\frac{1}{5}$   
(B) Sacrifice  $\frac{1}{5}$   
(C) Gain  $\frac{1}{10}$   
(D) Sacrifice  $\frac{1}{10}$
3. The difference amount between called-up capital and \_\_\_\_\_ is referred to as Calls -in Arrears. 1
- (A) Capital Reserve  
(B) Issued Capital  
(C) Paid-up Capital  
(D) Reserve Capital



4. On an ordinary share of Rs. 50, the minimum amount of application money under the Companies Act, should be \_\_\_\_\_ is referred to as Calls-in Arrears. 1
- (A) Rs. 2.50  
 (B) Rs. 5.00  
 (C) Rs. 6.00  
 (D) Rs. 12.50
5. Collateral security means \_\_\_\_\_. 1
- (A) Primary security  
 (B) Secondary security  
 (C) Valuable security  
 (D) Debenture suspense account
6. Why is Goodwill considered an Intangible Asset? 1
7. Partner 'Y' retired from the firm. He took over an unrecorded asset valued at Rs. 3500. Pass entry. 1
8. Point out the type of shares that can be issued at a discount. 1
9. On what conditions can forfeited shares be reissued ? 1
10. What is Debenture Trust Deed? 1
11. List two items each which may be debited or credited in Capital Account of partner when : (i) Capitals are fixed and (ii) Capitals are fluctuating 2
12. The firm SK earned a profit of Rs. 2,90,000 during the year ended 31<sup>st</sup> March, 2023. 13 % of this profit was to be transferred to General Reserve. Pass necessary Journal entry for the same. 2
13. A, B and C are partners in 2 :2 :1 ratio. C dies on 30<sup>th</sup> June, 2022. Sales for the year ended 31-3-22 are Rs. 2,00,000 and profits for the same period are Rs. 30,000. Sales for the three months (April to June) to the date of death amounted to Rs. 40,000. Calculate C's share in profit. 2



14. X Ltd. Company received excess application for 5000 shares @ Rs. 5 per share. Applications of 1000 shares were rejected and Pro-rate allotment was made. Find the amount of applications money adjusted with allotment. 2
15. State the treatment of difference between Purchase Consideration and Net Assets acquired. 2
16. Enumerate the accounting treatment of Loss on issue of Debentures. 2
17. On 1st October, 2022 PK. Ltd. issued 5000, 10% debentures of Rs. 100 each at a 5% premium. What will be amount of interest for the year ended 31<sup>st</sup> March, 2023. 2
18. The Partnership Agreement between Suraj and Tejkumar provides that : 4
- Profits will be shared equally
  - Suraj will be allowed a salary Rs. 4000 per month
  - Tejkumar is allowed a commission @ 10% on net profits before adjusting any remuneration.
  - 10% per annum interest will be charged on drawings.
  - Their annual drawings were Rs. 30,000 and Rs. 20,000 respectively. Net profit before above adjustments are Rs. 80,000. Calculate profits to be distributed between partners.

**OR**

The firm of A, B and C earned Rs. 1,00,000 average profits during the last three years. The capital employed in the business was Rs. 8,00,000. Normal rate of return of the industry is 8%. Find the value of goodwill of the firm by capitalization of super profit method. 4

19. P and Q are partners in a firm. R, the new partner brought Rs. 30,000 as cash and a plant Rs. 60,000. The firm gave him  $\frac{1}{4}$ th share in its profits and losses. The firm also agreed to pay his creditor of Rs. 10,000. Ascertain the value of capital of R and pass necessary journal entries in the books of the firm. 4

**OR**



- L, M and N were partners sharing profits and losses in the capital ratio which was 3:2:1. They agreed to dissolve the firm on 31<sup>st</sup> March, 2022. Following information were available: Creditors Rs. 16,000; Sundry Assets Rs. 1,30,000; cash Rs. 26,000; M's Loan Rs. 24,000. Find the value of capitals of L, M and N. 4
20. State the order in which the proceeds from the sale of assets are utilized in the case of dissolution of a firm. 4
21. Show the accounting treatment of: 4
- (a) When Calls in Advance is received Rs. 1000.
  - (b) At the time of adjustment of Calls in Advance Rs. 500.
  - (c) When Calls in Arrear is opened for unpaid amount of Rs. 400 on first call.
  - (d) On receipt of Calls in Arrear of Rs. 400 along with final call money.
22. X Ltd. purchased machinery value of Rs. 1,98,000 from Y Ltd. It was agreed that purchase consideration be paid by issuing 12% debenture of Rs. 100 each. Assume that the debentures have been issued (i) at par (ii) at a discount of 10% and (iii) at a premium of 10%. Make the necessary journal entries in the books of X Ltd. 4

*OR*

- Journalise the following cases in the books of MEM Ltd.: 4
- (a) The company took a loan of Rs. 1,60,000 from PNB and issued 2000, 12% debentures of Rs. 100 each a collateral security.
  - (b) Purchased furniture Rs. 2,30,000 from KIM Ltd. Payment was made by issue of 10% debentures of Rs. 100 each at premium of 15%.



23. A, B, and C are partners in 3:2:1 ratio. They have decided to share profit in 2:2:1 ratio in future. Their Balance Sheet as on 31<sup>st</sup> March, 2023 was as follows:

Liabilities	Rs.	Assets	Rs.
Capital:		Cash at Bank	25,000
A	50,000	Stock	25,000
B	40,000	Debtors	25,000
C	20,000	Less: Provision	<u>2,000</u>
General Reserve	30,000	Investment	27,000
Creditors	25,000	Machinery	70,000
Outstanding Wages	5,000		
	<u>1,70,000</u>		<u>1,70,000</u>

On this day the following revaluations were made :

- (i) Stock is increased by 20%.
- (ii) Provision is decreased to Rs. 500.
- (iii) Investments are valued at Rs. 31,000.
- (iv) Wages unrecorded are Rs. 1,500.
- (v) Machinery is increased by Rs. 3,000.

Partners decided not to close General Reserve Account.

- (a) Make the necessary Journal entries and
- (b) Prepare Partners' Capital Account.

5+3=8

**OR**



Anju, Mala and Priya were partners in a firm sharing Profits in the ratio of 2:2:1.  
On 31<sup>st</sup> December, 2022 their Balance Sheet was as follows:

Balance sheet of Anju, Mala and Priya as on 31<sup>st</sup> December, 2022

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	45,000	Cash at Bank	42,000
Employees Provident Fund	13,000	Debtors	60,000
General Reserve	20,000	Less: Provision for	
Capitals: Anju	1,60,000	Doubtful Debts	<u>2000</u>
Mala	1,20,000	Stock	80,000
Priya	92,000	Furniture	90,000
	<u>3,72,000</u>	Plant and Machinery	1,80,000
	4,50,000		<u>4,50,000</u>

Mala retired on the above date and it was agreed that :

- Plant and Machinery was undervalued by 10%.
- Provision for doubtful debts was to be increased to 15% on debtors.
- Furniture was to be decreased to Rs. 87,000.
- Goodwill of the firm was valued at Rs. 3,00,000 and Mala's share was to be adjusted through the capital accounts of Anju and Priya.
- Anju and Priya continued in partnership sharing profits and losses in the ratio of 2:1.

Prepare Partners' Capital Accounts and Balance Sheet of the reconstituted firm.

5+3=8



24. PS Ltd. was formed with an authorized capital of Rs. 5,00,000 divided into 50,000 Equity Shares of Rs. 10 each. The company issued 20,000 Equity Shares at Premium of Rs. 5 per share. The issue price was payable as under :

on Application : Rs.7 (including premium).

on Allotment : Rs. 5

on Call : Balance amount after three months of allotment.

A shareholder, to whom 200 shares were allotted, failed to pay the allotment and call money, and his shares were forfeited, 160 of the forfeited shares were re-issued for Rs. 1,600.

- (a) You are required to give the necessary Journal Entries to the above transactions of the company. 8

*OR*

- (b) Show the following with relations to the above transactions :
- (i) Share Capital in Balance Sheet of the Company as per schedule- III part I of the company Act, 2013.
- (ii) Also Prepare 'Notes to Accounts' for the same. 8

### **PART – B**

### **ANALYSIS OF FINANCIAL STATEMENTS**

**MARKS : 40**

25. Tangible assets of a firm for 31<sup>st</sup> March, 2021 and 2022 are Rs. 1,20,000 and Rs. 1,50,000 respectively shown in a Comparative Balance Sheet. The percentage change is \_\_\_\_\_ increase. 1
- (A) 20%
- (B) 25%
- (C) 80%
- (D) 125%



26. \_\_\_\_\_ is a study of relationship among various financial factors in a business for a particular period. 1
- (A) Comparative Income Statement  
 (B) Trend Percentage Analysis  
 (C) Ratio Analysis  
 (D) Comparative Balance Sheet
27. Bank overdraft and cash credit are to be treated as \_\_\_\_\_. 1
- (A) Cash Equivalent  
 (B) Investing Activity  
 (C) Non-Current Liabilities  
 (D) Short-term Borrowings
28. How is financial strength of a business unit assessed? 1
29. What will be the Operating Profit Ratio if Operating Ratio is 82.38%? 1
30. State the main purpose of preparing Cash Flow Statement. 1
31. Under which head will you record the following items :  
 (a) Provision for Tax and (b) Proposed Dividend 2
32. The Debt Equity Ratio of a company is 2:1. State with reason which of the following transactions would (i) Increase (ii) Decrease or (iii) Not change in ratio : 2
- (a) Issued 10% Debentures of Rs. 1,000  
 (b) Sale of fixed asset at profit Rs. 3,000
33. In a fire accident, A Ltd. lost its stock of Rs. 10 lakhs. It received insurance claim of Rs. 5 lakhs only. How will it be shown in Cash Flow Statement and why? 2
34. Enumerate four uses of Common Size Statement of profit and loss. 4
35. SK Ltd. has a current ratio of 3:1 and a quick ratio of 1: 2 :1. If the working capital is Rs. 2,50,000, calculate : 4
- (a) Current Assets  
 (b) Current Liabilities and  
 (c) Quick Assets

OR



From the following information, compute :

4

- (i) Trade Receivables Turnover Ratio
- (ii) Average Collection Period
- (iii) Trade payables Turnover Ratio
- (iv) Average Payment Period

Information:	Revenue from operations	Rs. 3,60,000
	Creditors	Rs. 12,000
	Bill Receivable	Rs. 8000
	Bill Payable	Rs. 600
	Purchases	Rs. 1,50,000
	Debtors	Rs. 40,000

36. State the meaning and method of computation from the following :

4

- (a) Interest Coverage Ratio
- (b) Working Capital Turnover Ratio
- (c) Total Assets to Debt Ratio
- (d) Net profit Ratio

37. Calculate: (a) Operating Ratio (b) Inventory Ratio (c) Proprietary Ratio from the following information :

4+2+2=8

Information:

Cash Revenue from operation	:	Rs. 1,00,000
Credit Revenue from operation	:	120% of Cash Revenue from operations
Operating Expenses	:	10% of total Revenue from operations
Rate of gross profit	:	40%
Opening Inventory	:	Rs.15,000
Closing Inventory	:	Rs. 2,000 more than Opening Inventory
Current Assets	:	Rs.30,000
Current Liabilities	:	Rs. 20,000
Share Capital	:	Rs. 60,000
Fixed Assets	:	Rs. 50,000

**OR**



From the following information, find out the value of :

2+2+4=8

- (i) Cost of Revenue from operations
- (ii) Revenue from operations and
- (iii) Closing Inventory

Information :

- (a) Average Inventory Holdings = 2 months
- (b) Gross profit Ratio = 20%
- (c) Gross Profit = Rs. 60,000
- (d) Closing Inventory was Rs. 5,000 in excess of opening Inventory

38. Prepare a Cash Flow Statement on the basis of the information given in the Balance Sheet of SURAJ Ltd., as on 31<sup>st</sup> March, 2022 and 2023 as per revised AS – 3 under indirect method : 8

Particulars	Note No.	31-3-23	31-3-22
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders Funds			
(a) Share Capital		45,000	30,000
(b) Reserve and Surplus :			
Surplus i.e., statement of profit and loss			
(profit)		18,500	7,000
(2) Current Liabilities			
Trade payables :			
Sundry creditors		9,500	8,000
Bills payables		4,000	2,500
Total		77,000	47,500



Particulars	Note No.	31-3-23	31-3-22
<b>II. ASSETS</b>			
(1) Non current Assets			
(a) Property, plants and Equipment (Fixed Assets)		49,000	20,000
(2) Current Assets			
(a) Inventories		9,000	9,000
(b) Trade receivables (Debtors)		10,000	12,000
(c) Cash and cash Equivalents		9,000	6,500
Total		77,000	47,500

Additional Information :

- (a) Income tax paid during the year was Rs. 4,500
- (b) Dividend paid during the year was 12%

**OR**

For each of the following transactions, show resulting cash flow and state the nature of cash flow viz, (i) Operating activity (ii) Investing activity and (iii) Financing activity :

8

- (a) Acquired machinery for Rs.2,50,000 paying 20% down and executing a bond for the balance payable.
- (b) Paid Rs. 2,50,000 to acquire shares in Informa Tech. and received a dividend of Rs. 50,000 after acquisition.
- (c) Sold machinery of original cost Rs. 2,00,000 with an accumulated depreciation of Rs. 1,60,000 for Rs. 60,000.
- (d) 12% preference share capital Rs. 2,00,000 were redeemed at a premium of 5%.