



SHAH'S ADVANTAGE PRELIM SERIES

A DIVISION OF "SHAH EDUCATIONAL ACADEMY"

B.COM, BAF, BMS, BBI, BFM, MCOM, CS, CPT, IPCC, Final CA.

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CLASS: S.Y.J.C.
PRELIM SERIES NO. – 1
Date: 19th Jan 2020

BOOK – KEEPING & ACCOUNTANCY (2019 – 20)

TIME: 3 Hrs.
MARKS: 80
Day: Sunday

Notes : (i) All questions are compulsory; (ii) Figures to the right indicate full marks.; (iii) Answer to every question must be written on new page

- Q. 1 Attempt any Three of the following sub-questions: 15**
- A] Answer the following questions in one sentence each: 05**
- To which account is gross profit transferred?
 - What is Revaluation Account?
 - What is meant by share premium?
 - What is 'the due date of a bill'?
 - Which type of accounts are maintained under Single Entry System?
- B] Write a word/ term/ phrase as a substitute for each of the following statements: 05**
- An amount contributed by the partners into the business.
 - A person who draws a bill of exchange.
 - The debentures which are converted into shares.
 - Those three extra days which are allowed over and above the period of bill?
 - An asset which can be converted into cash immediately.
- C] Select the most appropriate alternative from those given below and rewrite the statements: 05**
- Wages paid for installation of machinery should be debited to _____ account.
(a) machinery (b) wages (c) trading (d) profit and loss
 - The profit or loss from revaluation of assets and liabilities on retirement of a partner is shared by _____.
(a) all partners (b) the remaining partners
(c) only the retiring partner (d) none of these
 - In case of admission of a partner, the profit or loss on revaluation of assets and liabilities is shared by _____ partners.
(a) all (b) old (c) new (d) none of these
 - There are _____ parties to the bill of exchange.
(a) two (b) three (c) four (d) five
 - The capital balances are ascertained by preparing _____.
(a) statement of affairs (b) cash account
(c) drawing account (d) debtor's account

P.T.O.

- D] State whether the following statements are True or False: 05**
1. The final balancing amount of income and expenditure account represents either surplus or deficit.
 2. At the time of dissolution of a partnership firm all assets should be transferred to realisation account.
 3. Bill of exchange is in instrument in writing, which contains unconditional order.
 4. Noting charges are payable to the notary public on honour of a bill.
 5. Ratio analysis is useful for inter-firm comparison.

- E] Prepare a format of a Bill of Exchange from the following information: 05**
1. Drawer : Ramesh Patil, Shivaji Peth, Kolhapur
 2. Drawee : Ranjit Kale, Laxmi Road, Pune
 3. Payee : Suresh More, Ram Nagar, Sangli
 4. Date of bill : 5th March, 2019
 5. Period of bill : 90 days
 6. Date of acceptance : 8th March 2019
 7. Amount of bill : ₹ 12,500

- Q.2 Mrs. Sunita keeps her books on Single Entry System and gives the following information: (8)**

Particulars	01-04-2015	31-03-2016
	Amt. (₹)	Amt. (₹)
Cash at Bank	10,000	64,000
Debtors	50,000	80,000
Stock	60,000	1,00,000
Plant	40,000	40,000
Building	1,00,000	1,00,000
Bills Payable	10,000	10,000
Creditors	30,000	40,000

Additional Information:

Mrs. Sunita withdrew from business 30,000 for personal use.

She further introduced fresh capital of 50,000.

Depreciation is to be charged @ 10% p.a. on plant and building.

- Prepare:**
- (a) Statement of Affairs as on 01-04-2015
 - (b) Statement of Affairs as on 31-03-2016
 - (c) Statement of Profit or Loss for the year ending 31-03-2016.

OR

- Q. 2A] State any four limitations of analysis of financial statements. (4)**
- B] Explain return on investment (ROI). (4)**
- P.T.O. (4)**

- Q.3** Darshan and Amar were partners sharing profit and losses in the proportion of 2 : 1. Their balance sheet is as follows:

Balance Sheet as on 31st March 2016

Liabilities	Amt. (₹)	Amt. (₹)	Assets	Amt. (₹)	Amt. (₹)
Capital A/cs:			Building		1,00,000
Darshan	96,000		Furniture		20,000
Amar	64,000	1,60,000	Equipments		10,000
General Reserve		18,000	Debtors	63,000	
Profit & Loss A/c		6,000	Less: R.D.D.	3,000	60,000
Creditors		80,000	Stock		84,000
Pawan's Loan A/c		26,000	Cash		16,000
		2,90,000			2,90,000

On 1st April, 2016 Ranjit is admitted in the partnership on the following terms:

- 1) Ranjit should bring in cash ₹ 48,000 as capital for 1/5th share in future profits.
- 2) Goodwill was raised in the books of the firm for ₹ 18,000.
- 3) Building is revalued at ₹ 1,12,000 and the value of stock to be reduced by ₹ 6,000.
- 4) Reserve for doubtful debts be maintained at ₹ 1,800.
- 5) Pawan's loan is to be repaid.

Prepare: (1) Revaluation A/c; (2) Capital A/cs of partners and (3) Balance Sheet of the new firm. **(10)**

OR

- Q.3.** The Balance Sheet of Samarth Traders is as follows. The partners share profits and losses as 5:2:3.

Balance Sheet as on 31st March, 2016

Liabilities	Amt. (₹)	Assets		Amt. (₹)
Capital A/c's:		Plant and Machinery		16,000
Prakash	18,000	Building		20,000
Dinakar	16,000	Stock		10,200
Rajan	8,800	Debtors	8,400	
Creditors	10,600	Less: R.D.D.	400	8,000
General Reserve	7,000	Cash in hand		6,200
	60,400			60,400

Dinakar retired from the business on 1st April, 2016 on the following terms:

- 1) The assets are revalued as under:
 - a) Stock at ₹ 14,000.
 - b) Building is appreciated by 10%.
 - c) Reserve for doubtful debts is to be increased upto ₹ 500.
 - d) Plant and Machinery is to be depreciated by 10%.
- 2) The goodwill of the retiring partner is valued at ₹ 40,000 and the remaining partners decided that goodwill be written back in their new profit sharing ratio which will be 5:3.
- 3) Dinakar is to be paid ₹ 2,220 in cash on his retirement and the balance is to be transferred to his loan account.

Prepare:

- (a) Profit & Loss Adjustment account
- (b) Capital account of partners
- (c) Balance sheet of new firm.

(10)
P.T.O.

- Q.4** On 7th March, 2016 Ram draws a bill on Rohit for ₹ 8,000 at 3 months. Rohit accepts it and returns to Ram. Ram then sends the bill to his bank for collection. On due date Rohit finds himself unable to make the payment of the bill and requests Ram to renew it. Ram agreed on the condition that Rohit should pay ₹ 5,000 in cash and should accept new bill for the balance at 2 months with interest ₹ 200. These arrangements were carried through. Before due date Rohit was declared as insolvent and ₹ 1,500 could be recovered from his private estate as first and final dividend. Give Journal Entries in the books of Ram. **(10)**

- Q.5** Following is the balance sheet as on 31st March 2016 of M/s. Jay and Ajay: **(10)**

Balance Sheet as on 31st March, 2016

Liabilities	Amt. (₹)	Assets		Amt. (₹)
Capital A/cs.		Cash at bank		18,000
Jay	1,50,000	Stock		75,000
Ajay	1,50,000	Furniture		90,000
Reserve Fund	30,000	Investments		30,000
Loan from Jay	3,000	Machinery		90,000
Bills Payable	6,000	Buildings		45,000
Creditors	30,000	Debtors	24,000	
		Less: R.D.D.	3,000	21,000
	3,69,000			3,69,000

The firm was dissolved on 31st March, 2016 and the assets realised were as under:

- 1) Jay took over the investment at ₹ 27,600 and Ajay took over the furniture at ₹ 84,000.
- 2) The assets were realised as follows:

Stock	₹ 73,500;	Debtors	₹ 22,500
Machinery	₹ 84,000;	Building	₹ 42,000
- 3) The creditors were paid off at a discount of 900 and other liabilities were paid in full.
- 4) Dissolution expenses were ₹ 4,200.
- 5) Jay and Ajay were sharing profits and losses in the ratio of 3 : 2.

Prepare:- (a) Realisation Account; (b) Capital Account of all partners; (c) Bank Account.

OR

- Q.5** Manish and Co. Ltd. made an issue of 40,000 equity shares of 20 each payable as follows:

Application	₹ 5 per share
Allotment	₹ 10 per share
First Call	₹ 3 per share
Second call and Final call	₹ 2 per share

The company received applications for 50,000 share of which applications for 10,000 shares were rejected and money refunded. All the shareholders paid upto second call except Sunita, the allottee of 400 shares, failed to pay the final call, the expenses of issuing amounted to ₹ 6,000.

Pass Journal entries in the books of Manish and Co. Ltd.

(10)

- Q.6** Following is the Receipts and Payments Account and additional information of Jeevan Hospital, Kolhapur. Prepare Income and Expenditure Account for the year ending 31st March, 2016 and the Balance Sheet as on that date.

P.T.O.

Dr. Receipt and Payments Account for the year ended on 31st March, 2016 Cr.

Receipts	Amt. (₹)	Payments	Amt. (₹)
To Balance b/d	12,000	By Medicines	20,000
To Subscription		By Honorarium to Doctors	1,50,000
2014-2015 15,000		By Ambulance maintenance	88,000
2015-2016 1,90,000		By Hospital equipment	60,000
2016-2017 <u>30,000</u>	2,35,000	purchased	
To Donation for building fund	1,10,000	By Furniture purchased	50,000
To Life Membership Fees	50,000	By Fixed deposit	2,00,000
To Hospital receipts (Revenue)	3,00,000	By Balance c/d	1,39,000
	7,07,000		7,07,000

Additional information:

- 1) Outstanding subscription for 2015-16 is ₹ 10,000.
- 2) Hospital equipment and furniture were purchased on 01-10-2015 and both the assets were to be depreciated @ 20% p.a.
- 3) Life membership fees are to be capitalized.
- 4) Staff salary for current year is outstanding ₹ 15,000.
- 5) On 01-04-2015 the hospital had the following assets and liabilities:

Land ₹ 5,00,000;	Investment ₹ 1,00,000
Bank Loan ₹ 4,00,000;	Ambulance ₹ 2,05,000
- 6) Capital fund as on 01-04-2015 was ₹ 4,32,000. (12)

- Q.7** From the following Trial Balance of M/s. Patil and Desai, you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date: (15)

Trial Balance as on 31-03-2016

Debit Balance	Amt. (₹)	Credit Balance	Amt. (₹)
Machinery	1,40,000	Capital Accounts:	
Furniture	80,000	Patil	2,00,000
Coal, Gas and Water	4,300	Desai	1,50,000
Land and Building	1,20,000	Sales	3,30,000
Purchases	2,32,000	Sundry Creditors	1,05,000
Postage and Telegrams	2,200	Bank Loan	40,000
Export duty	15,500		
Wages and Salaries	31,000		
Rent and Taxes	7,200		
Cash in hand	58,000		
Freight	6,200		
Prepaid Rent	3,600		
Sundry Debtors	76,000		
Salaries	4,200		
Opening Stock	39,000		
Discount	5,800		
	8,25,000		8,25,000

Adjustments:

- 1) Closing stock in hand was valued at ₹ 61,000.
- 2) Goods distributed as free samples were ₹ 3,000.
- 3) Outstanding salaries ₹ 900.
- 4) Provide reserve for doubtful debts at 5% on sundry debtors.
- 5) Depreciate machinery at 5% p.a.



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(2019 – 20) (SOLUTION)

TIME: 3 Hrs.
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Notes : (i) All questions are compulsory; (ii) Figures to the right indicate full marks.; (iii) Answer to every question must be written on new page

Q. 1 Attempt any Three of the following sub-questions: (15)

A] Answer the following questions in one sentence each: (5)

1. To which account is gross profit transferred?

Ans:- Gross Profit is transferred to Profit and Loss Account

2. What is Revaluation Account?

Ans:- An account operated by any partnership firm for recording changes in the values of assets and liabilities and to ascertain profit or loss made on revaluation of assets and liabilities is called Revaluation Account.

3. What is meant by share premium?

Ans:- The excess of issue price of a share over its face value is called share premium.

4. What is 'the due date of a bill'?

Ans:- The due date of a bill of exchange is the date on which it is falling due for payment by the drawee.

5. Which type of accounts are maintained under Single Entry System?

Ans:- Generally, the personal accounts relating to debtors and creditors and cash-account are maintained under the Single Entry System

B] Write a word/ term/ phrase as a substitute for each of the following statements: (5)

1. An amount contributed by the partners into the business.

Ans:- Partners Capital

2. A person who draws a bill of exchange.

Ans:- Drawer

3. The debentures which are converted into shares.

Ans:- Convertible Debentures

4. Those three extra days which are allowed over and above the period of bill?

Ans:- Days of grace

5. An asset which can be converted into cash immediately.

Ans:- Liquid Asset./ Current Assets.

P.T.O.

C] Select the most appropriate alternative from those given below and rewrite the statements: (5)

1. Wages paid for installation of machinery should be debited to _____ account.
(a) **machinery** (b) wages (c) trading (d) profit and loss
2. The profit or loss from revaluation of assets and liabilities on retirement of a partner is shared by _____.
(a) **all the partners** (b) the remaining partners
(c) only the retiring partner (d) none of these
3. In case of admission of a partner, the profit or loss on revaluation of assets and liabilities is shared by _____ partners.
(a) all (b) **old** (c) new (d) none of these
4. There are _____ parties to the bill of exchange.
(a) two (b) **three** (c) four (d) five
5. The capital balances are ascertained by preparing _____.
(a) **statement of affairs** (b) cash account
(c) drawing account (d) debtor's account

D] State whether the following statements are True or False: (5)

1. The final balancing amount of income and expenditure account represents either surplus or deficit. :- **True.**
2. At the time of dissolution of a partnership firm all assets should be transferred to realisation account. :- **False.**
3. Bill of exchange is in instrument in writing, which contains unconditional order.:- **True.**
4. Noting charges are payable to the notary public on honour of a bill. :- **False.**
5. Ratio analysis is useful for inter-firm comparison. :- **True.**

E] Prepare a format of a Bill of Exchange from the following information: (5)

- | | | |
|-----------------------|---|--------------------------------------|
| 1. Drawer | : | Ramesh Patil, Shivaji Peth, Kolhapur |
| 2. Drawee | : | Ranjit Kale, Laxmi Road, Pune |
| 3. Payee | : | Suresh More, Ram Nagar, Sangli |
| 4. Date of bill | : | 5 th March, 2019 |
| 5. Period of bill | : | 90 days |
| 6. Date of acceptance | : | 8 th March 2019 |
| 7. Amount of bill | : | ₹ 12,500 |

STAMP

₹ 12,500/-

Ramesh Patil,
Shivaji Peth,
Kolhapur,
Date:- 5th March, 2019.

Ninety days after date, pay to Suresh More, Ram Nagar, Sangli or his order, the sum of Rupees Twelve Thousand Five Hundred only for the value received.

To,
Ranjit Kale,
Laxmi Road,
Pune.

Accepted
Sd/-
(Ranjit Kale)
Date: 8th March, 2019

Sd/-
Ramesh Patil

Q. 2

**In the books of Mrs. Sunita
Statement of Affairs as on 31-3-2016**

Liabilities	01.4.15	31.3.16	Assets	01.4.15	31.3.16
Capital	2,20,000	3,34,000	Cash at Bank	10,000	64,000
Creditors	30,000	40,000	Debtors	50,000	80,000
Bills Payable	10,000	10,000	Stock	60,000	1,00,000
			Plant	40,000	40,000
			Building	1,00,000	1,00,000
	2,60,000	3,84,000		2,60,000	3,84,000

Statement of Profit and Loss A/c for the year ended 31-3-2016

Particulars	₹	₹
Closing Capital		3,34,000
Add: Drawings		30,000
		3,64,000
Less: Additional Capital introduced		50,000
Adjusted Closing Capital		3,14,000
Less: Opening Capital		2,20,000
Net Profit Before Adjustment		94,000
Add: Income/ Gains		-----
Less: Expenses/ Losses		
Depreciation on Plant	4,000	
Depreciation on Building	10,000	14,000
Net Profit		80,000

OR

Q. 2A] State any four limitations of analysis of financial statements.

Ans:- (1) It is Historical Information:

Due to emphasis on recorded facts, Financial Statements do not show the true current worth of a concern. Because it is prepared on the basis of historical cost and book value of assets, it never considers the change in prices.

P.T.O.

(2) Incomplete Information:

The Financial Statements record only the transactions upto the last day of the accounting year. It takes 4 to 6 months, after the year end for finalization and audit of accounts. So many events affecting the financial position of the concern may have occurred during this period. Financial Statements are just interim reports.

(3) Qualitative Information is Ignored:

Financial Statements usually indicate how much profit the company has generated during a certain period of business organization. Only quantitative factors are taken into account. But quantitative factors such as reputation and prestige of the business with the public, the efficiency and loyalty of its people, honesty of management etc., do not materialise in Financial Statements.

(4) It is only the Tool but not the Remedy:

Financial Statements are by nature a combination of recorded facts, accounting principles and personal judgement. It does not give any solution to overcome the limitations that arise due to this nature of financial statements.

(5) Influence of Personal Judgement:

The results disclosed by the Financial Statements should not be taken at face value because many items are shown at estimated amounts. E.g. depreciation, deferred revenue expenditure, bad debts, inventory valuation etc. Its reliability depends upon the experience, ability and honesty of an accountant.

B) Explain return on investment (ROI).

Ans:- Return on Investments (ROI):

This ratio measures a relationship between net profit before interest and tax and capital invested. It is expressed in percentage.

Capital Employed =

Equity Capital + Preference Capital + Reserves and Surplus + Long term Loans
+ Debentures – Profit and Loss A/c. Dr. Balance (Loss)+

OR

Capital Employed =

Fixed Assets (Less Depreciation) + Current Assets – Current Liabilities

Formula:

Return on Investments = $\frac{\text{Profit before interest, tax \& dividend}}{\text{Capital Employed}} \times 100$

It is the most important ratio as it measures overall efficiency and borrowing policy of business. It indicates the ability of company to generate the profit per rupee of capital employed.

P.T.O.

Q. 3

**In the books of Firm
Revaluation A/c**

Particulars	₹	₹	Particulars	₹	₹
To New R.D.D.	1,800		By Building		12,000
- Old R.D.D.	3,000	-	By Excess R.D.D.		1,200
To Stock		6,000			
To Profit					
- Darshan (2/3)	4,800				
- Amar (1/3)	2,400	7,200			
		13,200			13,200

Partner's Capital A/c

Particulars	Darshan	Amar	Ranjit	Particulars	Darshan	Amar	Ranjit
				By Balance b/d	96,000	64,000	----
				By General Res.	12,000	6,000	----
				By Profit & Loss	4,000	2,000	----
				By Cash / Bank	----	----	48,000
				By Goodwill	12,000	6,000	----
To Balance c/d	1,28,800	80,400	48,000	By Revaluation	4,800	2,400	----
	1,28,800	80,400	48,000		1,28,800	80,400	48,000

Cash / Bank Account			
Dr.	₹	Cr.	₹
Particulars		Particulars	
To Balance b/d	16,000	By Pawan's loan	26,000
To Ranjit capital A/c	48,000	By Balance c/d	38,000
	64,000		64,000

Goodwill Account			
Dr.	₹	Cr.	₹
Particulars		Particulars	
To Darshan Capital A/c	12,000	By balance c/d	18,000
To Amar Capital A/c	6,000		
	18,000		18,000

New Balance Sheet as on 31st March, 2016 (After admission)

Liabilities	₹	₹	Assets	₹	₹
Partner's Capital			Building	1,00,000	
Darshan	1,28,800		Add: Appreciation	12,000	1,12,000
Amar	80,400		Furniture's		20,000
Ranjit	48,000	2,57,200	Equipment's		10,000
Creditors		80,000	Debtors	63,000	
Pawan loan	26,000		Less: New R.D.D.	1,800	61,200
Less paid A/c	26,000	----	Stock	84,000	
			Less: Written off	6,000	78,000
			Goodwill A/c		18,000
			Cash / Bank A/c		38,000
		3,37,200			3,37,200

Working Note for Ratio:-

	Darshan	Amar	Ranjit
Old Ratio	2/3	1/3	----
New Ratio	8/15	4/15	1/5 × 3 3/15
Sacrifice Ratio	2	:	1

OR

P.T.O.

Q.3.

In the books of Samarth Traders

Dr.		Profit and Loss Adjustment Account.				Cr.	
Particulars	₹	₹	Particulars	₹	₹		
To R.D.D. A/c			By Stock A/c		3,800		
New	500		By Building A/c		2,000		
Less: Old	400	100					
To Plant & Machinery A/c		1,600					
To Partner's Capital A/c's							
Prakash (5/10)	2,050						
Dinakar (2/10)	820						
Rajan (3/10)	1,230	4,100					
		5,800			5,800		

Partner's Capital A/c

Particulars	Prakash	Dinakar	Rajan	Particulars	Prakash	Dinakar	Rajan
To Goodwill A/c	2,500	----	1,500	By Balance b/d	18,000	16,000	8,800
To Cash A/c	-----	2,220	-----	By General Res.	3,500	1,400	2,100
To Dinakar's Loan A/c	-----	20,000	-----	By Goodwill A/c	-----	4,000	-----
To Balance c/d	21,050	-----	10,630	By Profit and Loss Adjustment A/c	2,050	820	1,230
	23,550	22,220	12,130		23,550	22,220	12,130

Dr.		Cash / Bank Account		Cr.	
Particulars	₹	Particulars	₹		
To balance b/d	6,200	By Dinakar's Capital A/c	2,220		
		By Balance c/d	3,980		
	6,200		6,200		

Dr.		Goodwill Account		Cr.	
Particulars	₹	Particulars	₹		
To Dinakar Capital A/c	40,000	By Prakash Capital A/c	25,000		
		By Rajan Capital A/c	15,000		
	40,000		40,000		

New Balance Sheet as on 31st March, 2016

Liabilities	₹	₹	Assets	₹	₹
Partner's Capital			Building	20,000	
Prakash	21,050		Add: Appreciation	2,000	22,000
Rajan	10,630	31,680	Plant & Machinery	16,000	
Dinkar's Loan A/c		20,000	Less: Depreciation	1,600	14,400
Creditors		10,600	Stock	10,200	
			Add: Appreciation	3,800	14,000
			Debtors	8,400	
			Less: R.D.D.	500	7,900
			Cash		3,980
		62,280			62,280

P.T.O.

Q.4.

In the books of Ram

Date	Particulars	L.F.	Debit ₹	Credit ₹
2016 March 7	Bill receivable A/c To, Rohit A/c (Being.....)	Dr.	8,000	8,000
	Bank for collection A/c To, Bills receivable A/c. (Being.....)	Dr.	8,000	8,000
	Rohit A/c To, Bank for collection A/c (Being.....)	Dr.	8,000	8,000
	Interest A/c.. To, Rohit A/c (Being.....)	Dr.	200	200
	Cash A/c To Rohit A/c (Being.....)	Dr.	5,000	5,000
	Bills receivable A/c. To Rohit A/c (Being.....)	Dr.	3,200	3,200
	Rohit A/c To Bill receivable A/c (Being.....)	Dr.	3,200	3,200
	Cash A/c Bad-debts A/c To Rohit A/c (Being.....)	Dr. Dr.	1,500 1,700	3,200

Q.5.

In the books of Partnership firm

Dr.		Realisation A/c		Cr.	
Particulars		₹	Particulars		₹
To Sundry Assets			By R.D.D.		3,000
Stock	75,000		By Sundry Liabilities		
Furniture	90,000		Creditors	30,000	
Investment	30,000		Bills Payable	6,000	36,000
Machinery	90,000		By Cash Bank		
Building	45,000		Stock	73,500	
Debtors	24,000	3,54,000	Machinery	84,000	
To Cash / Bank			Debtors	22,500	
Creditors	29,100		Building	42,000	2,22,000
Bills Payable	6,000	35,100	By Jay's Capital (Investment)		27,600
To Cash / Bank			By Ajay Capital (Furniture)		84,000
Dissolution Expenses		4,200	By Realisation loss		
			Jay ($\frac{3}{5}$)	12,420	
			Ajay ($\frac{2}{5}$)	8,280	20,700
		3,93,300			3,93,300

P.T.O.

Dr.		Jay's Loan Account		Cr.	
Particulars	₹	Particulars	₹		
To Cash/Bank A/c	3,000	By Balance b/d	3,000		
	3,000		3,000		

Partner's Capital A/c					
Particulars	Jay	Ajay	Particulars	Jay	Ajay
To Realisation	27,600	---	By Balance b/d	1,50,000	1,50,000
To Realisation	---	84,000	By Reserve Fund	18,000	12,000
To Realisation	12,420	8,280			
To Cash / Bank	1,27,980	69,720			
	1,68,000	1,62,000		1,68,000	1,62,000

Dr.		Cash/ Bank Account		Cr.	
Particulars	₹	Particulars	₹		
To balance b/d	18,000	By Realisation A/c	35,100		
To Realisation A/c	2,22,000	By Realisation	4,200		
		By Jay loan	3,000		
		By Jay 's Capital	1,27,980		
		By Ajay's Capital	69,720		
	2,40,000		2,40,000		

OR

Q.5. Journal of Manish & Co. Ltd.

Date	Particulars	L.F.	Debit ₹	Credit ₹
	Bank A/c Dr. To, Equity Share application A/c (Being.....)		2,50,000	2,50,000
	Equity share application A/c Dr. To, Equity share capital A/c (Being.....)		2,00,000	2,00,000
	Equity Shares application A/c Dr. To Bank A/c (Being.....)		50,000	50,000
	Equity share allotment A/c Dr. To Equity share capital a/c (Being.....)		4,00,000	4,00,000
	Bank A/c Dr. To Equity share capital a/c (Being.....)		4,00,000	4,00,000
	Equity share 1 st call A/c Dr. To, Equity share capital A/c (Being.....)		1,20,000	1,20,000
	Bank A/c Dr. To Equity share 1 st call A/c (Being.....)		1,20,000	1,20,000
	Equity share 2 nd & Final Call A/c Dr. To, Equity share capital A/c (Being.....)		80,000	80,000
	Bank A/c Dr. Calls in arrears A/c Dr. To Equity Share 2 nd & Final Call A/c (Being.....)		79,200 800	80,000
	Share Issue Expenses A/c Dr. To Bank A/c (Being.....)		6,000	6,000

P.T.O.

Working Note:- To find out Amount received on final call

Total Amt. due on final call	-	80,000
Less Unpaid (400 × 2)	-	<u>800</u>
To be received		<u>79,200</u>

Q.6 In the books of Jeevan Hospital, Kolhapur

Dr. Income & Expenditure Account for year ended 31st March, 2016 Cr.

Expenditure	₹	₹	Income	₹	₹
To Medicines		20,000	By Subscription	2,35,000	
To Honorarium to Doctors		1,50,000	(-) Receivable of last year	15,000	
To Ambulance Maintenance		88,000		2,20,000	
To Depreciation on			(-) Pre-Received of current year	30,000	
Hospital Equipment	6,000			1,90,000	
Furniture	5,000	11,000	(+) Receivable for current year	10,000	2,00,000
To Salaries		15,000	By Hospital receipts		3,00,000
To Surplus		2,16,000			
		5,00,000			5,00,000

Balance Sheet as on 31st March 2016

Liabilities	₹	₹	Assets	₹	₹
Capital fund	4,32,000		Land		5,00,000
Add:- Life Membership Fees	50,000		Investment		1,00,000
Add:- Surplus	2,16,000	6,98,000	Hospital Ambulance		2,05,000
Bank loan		4,00,000	Receivable subscription		10,000
Pre-received Subscription		30,000	Hospital Equipment	60,000	
Outstanding Staff Salary		15,000	Less:- 20% Depreciation	6,000	54,000
Donation for building fund		1,10,000	Furniture	50,000	
			Less:- 20% Depreciation	5,000	45,000
			Fixed deposit		2,00,000
			Balance c/d		1,39,000
		12,53,000			12,53,000

Working Note:- (1) Depreciation on Hospital equipment for 6 Months @ 20% p.a.

(i.e. from Oct to March)

$$\frac{60,000 \times 6 \times 20}{100 \times 12} = 60,000$$

(2) Depreciation of furniture for 6 months @ 20% p.a. (i.e. from Oct to March)

$$\frac{50,000 \times 6 \times 20}{100 \times 12} = 50,000$$

P.T.O.

Q.7.

In the book of firm

Dr. Trading Accounts for the year ended on 31st March, 2016. Cr.

Particulars	₹	₹	Particulars	₹	₹
To Opening Stock		39,000	By Sales		3,30,000
To Purchases		2,32,000			
To Coal, Gas & Water		4,300	By Goods distributed as free sample		3,000
To Wages & Salaries		31,000	By Closing Stock		61,000
To Freight		6,200			
To Gross Profit c/d		81,500			
		3,94,000			3,94,000

Dr. Profit & Loss Account for the year ended 31st March, 2016 Cr.

Particulars	₹	₹	Particulars	₹	₹
To, Postage & Telegram		2,200	By Gross profit b/d		81,500
To export duty		15,500			
To rent & Taxes		7,200			
To Salaries	4,200				
Add:- Outstanding	900	5,100			
To Discount		5,800			
To Depreciation on Machinery		7,000			
To Advertisement		3,000			
To New R.D.D.		3,800			
To Net profit transferred to Capital A/c					
Patil (½)	15,950				
Desai (½)	15,950	31,900			
		81,500			81,500

Dr. Partners' Capital A/c Cr.

Particulars	Bread	Butter	Particulars	Bread	Butter
To Balance c/d	2,15,950	1,65,950	By Balance b/d	2,00,000	1,50,000
			By Net Profit	15,950	15,950
	2,15,950	1,65,950		2,15,950	1,65,950

Dr. Balance Sheet as on 31st March, 2016. Cr.

Liabilities	₹	₹	Assets	₹	₹
Partner Capital :-			Machinery	1,40,000	
Patil	2,15,950		Less:- 5% Depreciation	7,000	1,33,000
Desai	1,65,950	3,81,900	Furniture		80,000
Creditors		1,05,000	Land & Building		1,20,000
Bank Loan		40,000	Cash in Hand		58,000
Outstanding Salary		900	Prepaid rent		3,600
			Sundry debtors	76,000	
			Less:- 5% New R.D.D.	3,800	72,200
			Closing Stock		61,000
		5,27,800			5,27,800
