



S.Y.J.C./ V.C.R.
26/11/2019

Accounts Test No:- 9 Marks:- 40 Time: 1 ½ Hrs.
Topic:- Bills of Exchange & Final Accounts

- Q.1.** Journalise the following bill transactions as on 21st May, 2010 in the books of Pradhan.
1. Renewed Venkatesh's acceptance of ₹ 7,000 due on 21st May, 2010 with interest ₹ 500 for 2 months.
 2. Bank informed that Laxmipati's acceptance of 4,000 which was discounted dishonoured, bank paid noting charge ₹ 85.
 3. Veermani informs Pradhan that Sonali's acceptance for ₹ 7,000 endorsed to veermani has been dishonoured. Noting charged amounted to ₹ 80.
 4. Shrivasthav honoured his acceptance of ₹ 4,900 which was deposited into bank for collection.
- (10)**

- Q.2.** From the following Trial Balance of M/s Sharma & Varma, you are required to prepare a Trading & Profit and Loss Account for the year ended 31st March, 2013 and Balacne Sheet as on that date after taking into consideration the additional information given below. Partners share profits and losses in their capital ratio.
- (15)**

Trial Balance as on 31st March, 2013

Debit Balance	Amt. ₹	Credit Balance	Amt. ₹
Stock on 1 st April, 2012	28,000	Capital A/c	
Purchases	1,75,000	Sharma	90,000
Salaries	17,500	Varma	60,000
Unproductive wages	1,800	Sundry credtiotrs	30,000
Carriage	1,200	Rent received	3,500
Royalties	2,500	Bank overdraft	24,500
Freight	1,400	Sales	2,26,750
Printing and stationery	2,100		
Sundry Debtors	40,000		
Furniture	20,000		
Leasehold property	95,000		
Investment	35,000		
Travelling expenses	1,750		
Advertisement (for 3 years)	4,275		
Bad debts	1,425		
Discount allowed	800		
Cash in hand	7,000		
	4,34,750		4,34,750

Additional Information:

1. Stock on hand on 31st March, 2013 was at cost ₹ 38,000.
2. Provide R.D.D. at 5% on Sundry Debtors and Reserve for discount on debtors at 3%
3. Goods worth ₹ 5,000 destroyed by fire and Insurance company admitted a claim of ₹ 4,300.
4. Rent of ₹ 800 is still receivable from the tenant.
5. Depreciate Furniture at 12% p.a.

Q.3. M/s. Vijay Raj Traders is a Partnership firm in which Vijay and Raj are partners sharing profits and losses in the ratio of 8:7. From the following Trial Balacne prepare Tradings and Profit Loss Account for the year ended 31st March, 2013 and Balacne sheet as on that date.

(15)

Trial Balacne as on 31st March, 2013.

Particulars	Debit Amt. (₹)	Credit Amt. (₹)
Capital A/c - Vijay	----	72,000
- Raj	----	63,000
Current A/c - Vijay	-----	2,490
- Raj	1,500	----
Purchased and Sales	1,42,000	2,13,000
Sundry Debtors an Creditors	80,000	47,500
Bills Receivable and Bills payable	12,000	19,500
Commission	3,000	2,500
Opening Stock	27,000	
Cash in hand	3,500	
10% Governmnet Bonds (Purchased on 1.1.2013)	20,000	
Rent and Taxes	2,390	
Building	70,000	
Furniture	15,000	
Salaries	21,000	
Wages	8,000	
Insuarance	3,600	
Motor Car	10,000	
Bad debts	1,000	
	4,19,990	4,19,990

Adjustments:

1. Stock on hand on 31st March, 2013 was valued at ₹ 35,000.
2. Vijay is allowed a salary of ₹ 3,500 and Raj is entitled to get commission at 2% on sales.
3. Interest on partners capital @ 5% is to be provided.
4. Depreciate Furniture at 15% and Building at 10% p.a .
5. ₹ 2,000 due from customer is not recoverable.
6. Insurance is paid for the year ended on 30th June, 2013.
7. Prepare commission is ₹ 1,000 and pre-received commission is ₹ 700.



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Accounts Test No:- 9
Topic:- Bill of Exchange & Final Accounts

Marks:- 40 Time: 1 ½ Hrs.
(Solution)

Q.1. Journal entries in the books of Pradhan

Date	Particulars	L.F.	Debit ₹	Credit ₹
2010				
May 21	Venkatesh's A/c Dr.		7,000	
A	To Bills Receivable A/c (Being.....)			7,000
May 21	Venkatesh's A/c Dr.		500	
	To Interest A/c (Being.....)			500
May 21	Bills Receivable A/c Dr.		7,500	
	To Venkatesh's A/c (Being.....)			7,500
May 21	Laxmipati's A/c Dr.		4,085	
B	To Bnak A/c (Being.....)			4,085
May 21	Sonali's A/c Dr.		7,080	
C	To Veermani's A/c (Being.....)			7,080
May 21	Bank A/c Dr.		4,900	
D	To Bill Sent for Collection A/c (Being.....)			4,900
	Total		31,065	31,065

Q.2. In the Book of M/s Sharma and Varma

Particulars	Amt. ₹	Amt. ₹	Particluars	Amt. ₹	Amt. ₹
To Opening Stock		28,000	By Sales		2,26,750
To Purchases		1,75,000	By Goods destroyed by fire		5,000
To Carriage		1,200	By Closing stock		38,000
To Royalties		2,500			
To Freight		1,400			
To Gross profit transferred to Profit and loss A/c		61,650			
		2,69,750			2,69,750

Dr. Trading and Profit and Loss Account for the year ended 31st March, 2013 Cr.

Particulars	Amt. ₹	Amt. ₹	Particulars	Amt. ₹	Amt. ₹
To Salaries		17,500	By Gross profit b/d		61,650
To Unproductive wages		1,800	By Rent received	3,500	
To Printing & Stationery		2,100	Add: Outstanding rent	800	4,300
To Travelling expenses		1,750			
To Advertisement	4,275				
Less: Prepaid for 2 years	2,850	1,425			
To R.D.D.					
Bad debts	1,425				
Add: New R.D.D.	2,000	3,425			
To Discount allowed		800			
To Reserve for Discount		1,140			
To loss by fire		700			
To Depreciation on Furniture		2,400			
To Net Profit transferred to Partner's Capital A/c					
Sharma	19,746				
Varma	13,164	32,910			
		65,950			65,950

Balance Sheet of M/s Sharma & Varma as on 31st March, 2013

Liabilities	Amt. ₹	Amt. ₹	Assets	Amt. ₹	Amt. ₹
Capital A/c			Sundry Debtors	40,000	
Sharma	90,000		Less: New R.D.D.	2,000	
Add: Net Profit	19,746	1,09,746		38,000	
Capital A/c			Less: Reserve for Discount	1,140	36,860
Varma	60,000		Furniture	20,000	
Add: Net Profit	13,164	73,164	Less: Depreciation	2,400	17,600
Sundry Creditors		30,000	Leasehold property		95,000
Bank Overdraft		24,500	Investment		35,000
			Cash in Hand		7,000
			Prepaid Advertisement		2,850
			Closing Stock		38,000
			Outstanding Rent		800
			Insurance Claim		4,300
		2,37,410			2,37,410

Working Notes:

1. Distribution of Profit :

$$\text{Sharma's Profit} = 32,910 \times \frac{3}{5} = ₹ 19,746$$

$$\text{Varma's Profit} = 32,910 \times \frac{2}{5} = ₹ 13,164$$

2.

$$\text{Depreciation Furniture} = 20,000 \times \frac{12}{100} = ₹ 2,400$$

3.

$$\text{Capital Ratio} = 90,000 : 60,000 = 9 : 6 \text{ i.e. } 3 : 2$$

Q.3. In the Book of M/s Vijay – Raj Traders

Particulars	Amt. ₹	Amt. ₹	Particulars	Amt. ₹	Amt. ₹
To Opening Stock		27,000	By Sales		2,13,000
To Purchases		1,42,000	By Closing stock		35,000
To Wages		8,000			
To Gross profit transferred to Profit and loss A/c		71,000			
		2,48,000			2,48,000

Dr. Trading and Profit and Loss Account for the year ended 31st March, 2013 Cr.

Particulars	Amt. ₹	Amt. ₹	Particulars	Amt. ₹	Amt. ₹
To commission	3,000		By Gross Profit b/d		71,000
Less: Prepaid	1,000	2,000	By Commission	2,500	
To Rent and Taxes		2,390	Less: Pre-received	700	1,800
To Salaries		21,000	By Interest dur on Gov. Bonds		500
To Insurance	3,600				
Less: Prepaid	900	2,700			
To Bad Debts	1,000				
Add: New Bad debts	2,000	3,000			
To Vijay salary		3,500			
To Raj's commission		4,260			
To Interest on Capital:-					
Vijay	3,600				
Raj	3,150	6,750			
To Depreciation on:-					
Furniture	2,250				
Building	7,000	9,250			
To Net Profit transferred to Partner's current A/c					
Vijay	9,840				
Raj	8,610	18,450			
		73,300			73,300

Dr. Partner's Current Accounts Cr.

Particulars	Vijay ₹	Raj ₹	Particulars	Vijay ₹	Raj ₹
To Balance b/d	-----	1,500	By Balance b/d	2,490	-----
To Balanace c/d	19,430	14,520	By Salary (Vijay)	3,500	-----
			By Raj's commission	----	4,260
			By Interest oncapitals	3,600	3,150
			By Profit & Loss A/c (Share of Profit)	9,840	8,610
	19,430	16,020		19,430	16,020

1. Distribution of Net profit: Profit sharing ratio of Vijay & Raj is 8:7

$$\begin{aligned} \therefore \text{Vijay's Share} &= 18,450 \times \frac{8}{15} = ₹ 9,840 \\ \text{Raj's Share} &= 18,450 \times \frac{7}{15} = ₹ 8,610 \end{aligned}$$

Balance Sheet as on 31st March, 2013

Liabilities	Amt. ₹	Amt. ₹	Assets	Amt. ₹	Amt. ₹
Capital A/c			Sundry Debtors	80,000	
Vijay		72,000	Less: Bad Debts	2,000	78,000
Raj		63,000	Bills Receivable		12,000
Current A/c			Cash in hand		3,500
Vijay		19,430	10% Gov. Bonds		20,000
Raj		14,520	Interest due on Gov.		500
Sundry Creditors		47,500	Bonds		
Bills Payable		19,500	Building	70,000	
Pre-received commission		700	Less: Depreciation	7,000	63,000
			Furniture	15,000	
			Less: Depreciation	2,250	12,750
			Motor car		10,000
			Closing Stock		35,000
			Prepaid insurance		900
			Prepaid commission		1,000
		2,36,650			2,36,650

Working Note:

- Raj's commission is 2% on sales = $2,13,000 \times \frac{2}{100} = ₹ 4,260$
- Interest of Partner's capital : Vijay = $72,000 \times \frac{5}{100} = ₹ 3,600$
Raj = $63,000 \times \frac{5}{100} = ₹ 3,150$
- Prepare Insurance - Insurance is paid for the year ended 30th June, 2013 means it is paid in advance for three month (April, May, June)
 $\therefore \text{Prepaid Insurance} = 3,600 \times \frac{3}{12} = ₹ 900$
- Interest due on Government Bonds-bonds purchased on 1st Jan, 2013, therefore three months interest is receivable (1.1.2013 to 31.3.2103)
Interest Receivable = $20,000 \times \frac{10}{100} \times \frac{3}{12} = ₹ 500$
