



SHAH'S ADVANTAGE PRELIM SERIES

A DIVISION OF "SHAH EDUCATIONAL ACADEMY"

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

H.O. 5; 6 & 7, Hill Crest Society, 16th Road, Bandra (W), Mum: 50. Ph: 26051635 / 9820422953

Branch:-Avon Arcade, Shop No. A/121, 1st Flr; Vile Parle (W), Mumbai:- 56. Ph: 9820418533

CLASS: S.Y.J.C.
PRELIM SERIES NO. – 2
Date: 26th 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 : (15)

A] Answer in one sentence only: (05)

1. What is deficit?
2. In what proportion is general reserve distributed amongst the old partners?
3. What is meant by debenture?
4. What are noting charges?
5. Write the meaning of cash flow statement.

B] Write the word/term/phrase which can substitute each of the following statement (05)

1. Debit balance of trading Account.
2. Officer appointed by Central Government for noting of dishonor of a bill.
3. Excess of assets over liabilities.
4. Capital stated in the capital clause in the Memorandum of Association.
5. A person on whom a bill of exchange is drawn.

C] Select the most appropriate alternative from those given below and rewrite the statement: (05)

1. From financial statement analysis the creditors are interested to know _____
(a) liquidity (b) profit (c) sale (d) capital
2. _____ means transfer of the title of a bill from debtors to creditors.
(a) Endorsement (b) Renewal
(c) retirement (d) Discounted
3. Increase in the value of assets should be _____ to profit and loss adjustment account.
(a) active (b) Sleeping (c) nominal (d) minor
4. Increase in the value of assets should be _____ to profit and loss adjustment account.
(a) debited (b) credited (c) added (d) none of these
5. Deficiency of insolvent partner will be suffered by solvent partners in their _____ ratio.
(a) capital (b) profit sharing (c) sale (d) liquidity

P.T.O.

D] State whether the following statements are 'True or False'.

(05)

1. Single entry system is not useful for large business.
2. All receipts are the items of revenue income.
3. A bill cannot be deposited into bank for collection.
4. A firm is dissolved automatically on the retirement of a partner.
5. Profit and Loss account is nominal account.

E] Prepare a Bills of Exchange from the following information.

(05)

1. Drawer : Sanjana Mali, Sai Mandir Road, Aurangabad.
2. Drawee : Amol Pardeshi, College Road, Paithan, Dist. Aurangabad.
3. Payee : Pratik Panditkar, Adalat Road, Aurangabad.
4. Period : 2 months
5. Amount : ₹ 18,500
6. Date of Bill : 10th September, 2016
7. Date of Acceptance : 12th September, 2016

Q. 2 Mrs. Rekha keeps her books under single entry system and the following information is given about their business:

(08)

Particulars	01-04-2015 (₹)	31-03-2016 (₹)
Cash at Hand	10,000	15,000
Bills Payable	----	60,000
Creditors	1,40,000	1,50,000
Machinery	6,00,000	8,00,000
Debtors	3,40,000	4,20,000
Stock	1,20,000	2,00,000
Bank Balance	30,000	40,000
Computer	----	20,000

Additional Information:

During the year 2015-16, she brought additional capital ₹ 1,50,000 and withdrew ₹ 5,000 per month for household expense. Reserve for doubtful debts is to be provided @ 5% on debtors. Stock is reduced by 10%. Depreciated machinery at 12% p.a.

Additional machinery purchased on 31.3.2016.

- Prepare:**
- (1) Opening Statement of Affairs
 - (2) Closing Statement of Affairs
 - (3) Statement of Profit or Loss for the year ending 31-3-2016.

OR

Q. 2 A] State the limitations of financial Statement analysis.

(4)

B] State cash flow from operating and investing activities.

(4)

P.T.O.

- Q.3.** Following is the Balance sheet of Jay & Ajay on 31st March, 2016. They share profit and losses in the ratio 2 : 3. **(10)**

Balance Sheet as on 31st March, 2016

Liabilities	Amt. ₹	Assets	Amt. ₹
Sundry Creditors	30,000	Cash	10,000
General Reserve	24,000	Stock	40,000
Capital A/c :		Sundry Debtors	75,000
Jay 70,000		Furniture	19,000
Ajay 70,000	1,40,000	Land & Building	50,000
	1,94,000		1,94,000

They decided to admit Vijay on 1st April, 2016 into partnership on the following terms:

- 1) He should bring ₹ 20,000 as his share in goodwill, which is to be retained in the business.
- 2) He should bring ₹ 25,000 as capital for $\frac{1}{4}$ th share in future profit.
- 3) Land & Building to be value at ₹ 60,000.
- 4) A provision of 5% on debtors is to be made on doubtful debts.
- 5) The stock is to be taken at a value of ₹ 50,000.
- 6) The excess capital of Jay & Ajay over their due proportion of sharing profit in the firm is to be transferred to their respective loan accounts.

Prepare: (1) Profit and Loss Adjustment A/c; (2) Partner's Capital Accounts and (3) New Balance Sheet of the firm.

OR

- Q.3.** Following is the financial position of Sunil, Anil & Vishal who were equal partners. **(10)**

Balance Sheet as on 31st March, 2016

Liabilities	Amt. ₹	Assets	Amt. ₹
Capital Accounts:		Goodwill	12,000
Sunil	24,000	Machinery	32,000
Anil	18,000	Stock	22,000
Vishal	16,000	Debtors	18,000
Creditors	12,000	Bank	16,000
Reserve Fund	18,000		
Profit and Loss	12,000		
	1,00,000		1,00,000

On 1st October, 2016 Vishal died and following adjustments were made:

- 1) Goodwill of the firm was appreciated by ₹ 7,200, however, only Vishal's share in the appreciated value was raised in the books.
- 2) R.D.D. was maintained at 5% on debtors.
- 3) Reserve fund on Sunil and Anil kept in the business.
- 4) Stock is valued at ₹ 20,000 and machinery at ₹ 29,800
- 5) Vishal was to be given his share in the profit up to the date of death. The estimated profit based on the previous year's profit ₹ 24,000.
- 6) Amount due to Vishal was transferred to his executor's loan account.

Prepare: (1) Profit and Loss Adjustment A/c (2) Partner's Capital A/c & (3) Balance Sheet of Sunil and Anil.

P.T.O.

Q. 4 Journalise the following bill transactions as on 11th January, 2016 in the book of Balaji.

(10)

- 1) Renewed Shreya's acceptance of ₹ 10,000 on 11th January, 2016 by receiving ₹ 6,000 in cash and drawing a new bill including interest ₹ 800 for 2 months.
- 2) Bank intimates that Narayan's acceptance of ₹ 6,000 which was discounted dishonoured, bank paid noting charges ₹100.
- 3) Padmavati informs Balaji that Laxmi's acceptance of ₹ 8,000 endorsed to Padmavati has been dishonoured., Noting charges amounted to ₹ 90.
- 4) Bholenath honoured his acceptance of ₹ 4,800 which was deposited into bank for collection and bank charges debited ₹ 95.

Q.5 Mohanlal, Anandraj and Krishnalal are partners sharing their profit and losses in the ratio of 1 : 1 : 1. Their Balance Sheet as on 31st March , 2016 was as under: **(10)**

Balance Sheet as on 31st March, 2016

Liabilities	Amt. ₹	Assets	Amt. ₹
Sundry Creditors	50,000	Bank Balance	400
Bank Loan Account	10,000	Stock in Trade	8,000
Capital Accounts:		Sundry Debtors	10,000
Mohanlal	8,000	Plant & Machinery	20,000
Krishnalal	4,900	Furniture	8,000
		Land & Building	20,000
		Anandraj's Capital A/c	6,500
	72,900		72,900

The partnership firm was dissolved due to unsound financial position of all partners. Mohanlal and Kriahnalal could not bring any amount but Anandraj could bring ₹ 2,000. All are declared as insolvent.

Assets realised as:

- | | | |
|-------------------------|---|--------|
| 1. Stock in trade | ₹ | 6,100 |
| 2. Sundry debtors | ₹ | 6,500 |
| 3. Plant and Machinery | ₹ | 16,000 |
| 4. Furniture | ₹ | 5,000 |
| 5. Land and building | ₹ | 12,000 |
| 6. Dissolution expenses | ₹ | 600 |

Prepare necessary Ledger account to close the books of the firm.

OR

Q. 5 Manish Company Ltd, issued 4,000 debentures of ₹ 100 each on 1st April, 2016 at a discount of 10% redeemable at a premium of 10%.

Give Journal entries relating to issue of debentures and debenture interest for the period ending 31st March, 2016 assuming that interest was paid half yearly on 30th September and 31st March and tax deducted at source is 10%.

Prepare journal of Manish Company Ltd.

(10)
P.T.O.

Q.6. Following are the receipts and payments accounts and additional information of Patil Hospital, Buldhana. Prepare income and expenditure account for the year ending 31st March, 2016 and the Balance Sheet as on that date. **(12)**

Dr.	Receipt and Payment A/c for the year ended 31st March, 2016		Cr.
Receipts	Amt. ₹	Payments	Amt. ₹
To Opening Cash Balance	24,000	By Medicines	40,000
To Subscription		By Honorarium to Doctors	3,00,000
2014 – 2015 30,000		By Ambulance Maintenance	1,76,000
2015 – 2016 3,80,000		By Hospital Equipment's	
2016 – 2017 <u>60,000</u>	4,70,000	Purchased	1,20,000
To Donation	2,20,000	By Furniture Purchased	1,00,000
To Life Membership Fees	1,00,000	By Fixed Deposit	4,00,000
To Hospital Receipts (Revenue)	6,00,000	By Closing Cash Balance	2,78,000
	14,14,000		14,14,000

Additional Information:

1. Outstanding subscription for 2015 – 2016 is ₹ 20,000
2. Hospital equipment's and furniture were purchased on 1st Oct. 2015 and both the assets were to be depreciated @ 20% p.a.
3. Life membership fees are to be capitalized.
4. Donations represent donation for building fund.
5. Staff salaries outstanding for the current year is ₹ 30,000.
6. On 1st April, 2015 the hospital had the following assets and liabilities:

Land	₹	10,00,000
Investment	₹	2,00,000
Bank Loan	₹	8,00,000
Ambulance	₹	4,10,000
7. Capital fund as on 1st April, 2015 was ₹ 8,64,000.

P.T.O.

Q.7. M/s. Geeta Saw Mill is a partnership firm in which Aarti and Bharti are partners sharing profit and loss in the ratio of 3 :2. From the following Trial Balance, 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 31st March, 2016

Receipts	Amt. ₹	Payments	Amt. ₹
<i>Current Account</i> - Bharti	3,000	<i>Capital Accounts:</i>	
Purchases	2,84,000	Aarti	1,44,000
Sundry Debtors	1,60,000	Bharti	1,26,000
Opening Stock	54,000	<i>Current Accounts:</i> Aarti	4,980
Cash in Hand	7,000	Sales	4,26,000
10% Government bonds (Purchased on 1.1.2016)	40,000	Sundry Creditors	1,39,000
Rent & Taxes	4,780		
Building	1,40,000		
Furniture	30,000		
Salaries	42,000		
Wages	16,000		
Insurance	7,200		
Motor Car	50,000		
Bad Debts	2,000		
	8,39,980		8,39,980

Adjustments:

1. Closing stock is valued at ₹ 70,000
2. Aarti is allowed salary of ₹ 7,000 and Bharti is entitled to get commission @ 2% on sales.
3. Interest on partner's capital @ 5% is to be provided.
4. Depreciate furniture @ 15% and building @ 10% p.a.
5. ₹ 4,000 due from customer is not recoverable.
6. Insurance is paid for the year ended on 30th June, 2016.



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CLASS: S.Y.J.C.
PRELIM SERIES NO. – 2
Date: 26th Jan, 2019

BOOK – KEEPING & ACCOUNTANCY
(2019 – 20) (SOLUTION)

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 : (15)

A] Answer in one sentence only: (05)

1. What is deficit?

Ans: Excess of expenditure over income shown by Income and Expenditure Account represents deficit for the financial year.

2. In what proportion is general reserve distributed amongst the old partners?

Ans: General Reserve is distributed among the old partners in their old profit sharing ratio.

3. What is meant by debenture?

Ans: Debenture is a written instrument acknowledging a debt under a common seal of the company and it contains a contract for repayment of principle and interest at fixed rate.

4. What are noting charges?

Ans: Noting charges are the fees charged by the Notary Public for noting the facts of dishonour on the face of the bill and in his official register.

5. Write the meaning of cash flow statement.

Ans: Cash flow Statement is a statement prepared to show changes in cash and cash equivalent by showing their inflow and outflow from various activities during a particular period.

B] Write the word/ term/ phrase which can substitute each of the following statements: (5)

1. Debit balance of Trading Account. **Ans: Gross Loss**

2. Officer appointed by Central Government for noting of dishonour of a bill. **Ans: Notary Public.**

3. Excess of assets over liabilities. **Ans: Capital**

4. Capital stated in the capital clause in the Memorandum of Association. **Ans: Authorised Capital.**

5. A person on whom a bill of exchange is drawn. **Ans: Drawee.**

P.T.O.

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

- From financial statement analysis the creditors are interested to know **liquidity**.
(a) liquidity (b) profit (c) sale (d) capital
- Endorsement** means transfer of the title of a bill from debtors to creditors.
(a) Endorsement (b) Renewal (c) Retirement (d) Discounted
- A partner below 18 years of age is called **minor**.
(a) active (b) sleeping (c) nominal (d) minor
- Increase in the value of assets should be **credited** to profit and loss adjustment account.
(a) debited (b) credited (c) added (d) none of these
- Deficiency of insolvent partner will be suffered by solvent partners in their **profit sharing** Ratio.
(a) capital (b) profit sharing (c) sale (d) liquidity

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

- Single entry system is not useful for large business. **TRUE**
- All receipts are the items of revenue income. **FALSE**
- A bill cannot be deposited into bank for collection. **FALSE**
- A firm is dissolved automatically on the retirement of a partner. **FALSE**
- Profit and Loss account is nominal account. **TRUE**

E] Prepare a Bills of Exchange from the following information. (05)

- Drawer : Sanjana Mali, Sai Mandir Road, Aurangabad.
- Drawee : Amol Pardeshi, College Road, Paithan, Dist. Aurangabad.
- Payee : Pratik Panditkar, Adalat Road, Aurangabad.
- Period : 2 months
- Amount : ₹ 18,500
- Date of Bill : 10th September, 2016
- Date of Acceptance : 12th September, 2016

STAMP

₹ 18,500/-

Sanjana Mali,
Sai Mandir Road,
Aurangabad.
Date:- 10th Sept., 2016

Two Months after date pay to Pratik Panditkar, Adalat Road, Aurangabad or his order the sum of Rupees Eighteen Thousand Five Hundred only for the value received.

To,
Amol Pardeshi,
College Road,
Paithan
Dist. Aurangabad.

Accepted
Sd/-
(Amol Pardeshi)
Date: 12th Sept., 2016

Sd/-
Sanjana Mali

Q.2.

In the books of Mrs. Rekha

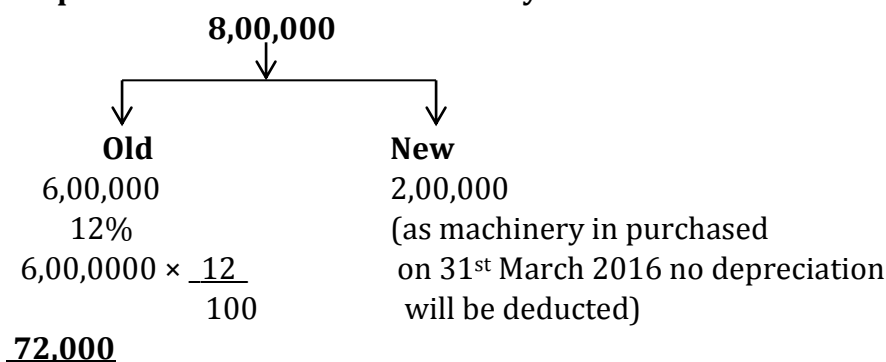
Statement of Affairs

Liabilities	1-4-15 (₹)	31-3-16 (₹)	Assets	1-4-15 (₹)	31-3-16 (₹)
Bills Payable	-	60,000	Cash in hand	10,000	15,000
Creditors	1,40,000	1,50,000	Machinery	6,00,000	8,00,000
Capital (Balance Figure)	9,60,000	12,85,000	Debtors	3,40,000	4,20,000
			Stock	1,20,000	2,00,000
			Bank Balance	30,000	40,000
			Computer	-	20,000
	11,00,000	14,95,000		11,00,000	14,95,000

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

Particulars	₹	₹
Closing Capital		12,85,000
Add: Drawings		
In cash	60,000	
In kind	---	60,000
		13,45,000
Less: Additional capital introduced		1,50,000
Adjusted Closing Capital		11,95,000
Less: Opening Capital		9,60,000
Profit before adjustments		2,35,000
Less: Expenses/ Losses		
(1) Reserve for doubtful debts @ 5%	21,000	
(2) Stock written off @ 10%	20,000	
(3) Depreciation on Machinery @ 12%	72,000	1,13,000
Net Profit of the year		1,22,000

Working Note:- To find out depreciation amount on machinery



OR

Q. 2 A] State the limitations of financial Statement analysis. (4)

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.

(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.

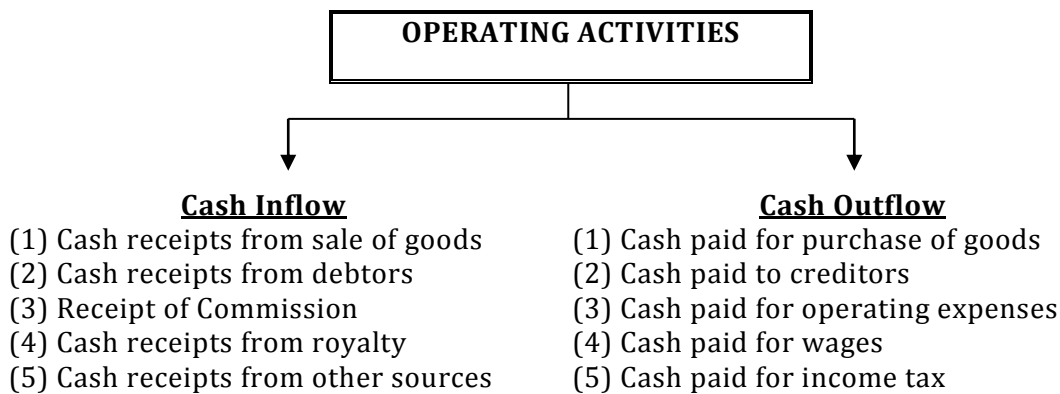
(4) It is only the Tool but not the Remedy: Financial Statements are by nature a combination of recorded facts, accounting principles and personal judgement. It does not give any solution to overcome the limitations that arise due to this nature of financial statements.

(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] State cash flow from operating and investing activities. **(4)**

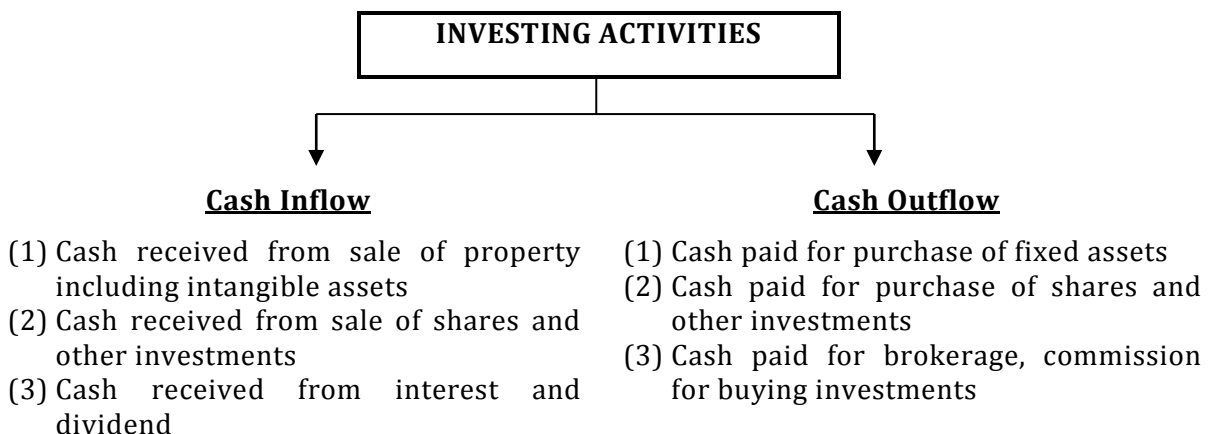
(i) Operating Activities: It is directly associated with production and sale of goods and services. These are revenue from producing activities.

CASH FLOW FROM OPERATING ACTIVITIES:



(ii) Investing Activities: It is related to buying and selling of long term assets and investments are called investing activities.

CASH FLOW FROM INVESTING ACTIVITIES:



Q. 3

In the books of Partnership Firm

Dr.

Profit & Loss Adjustment A/c

Cr.

Particulars	₹	₹	Particulars	₹	₹
To, R.D.D. New – Old	3,750 ---	3,750	By Land & Building A/c (Increase in value)		10,000
To Partners' Capital A/c Jay (2/5) Ajay (3/5)	6,500 9,750	16,250	By Stock A/c		10,000
		20,000			20,000

Partner's Capital A/c

Particulars	Jay	Ajay	Vijay	Particulars	Jay	Ajay	Vijay
To Loan A/c	64,100	61,150	-	By Balance b/d	70,000	70,000	-
				By General Reserve	9,600	14,400	-
				By Cash A/c(Capital)	-	-	25,000
				By Goodwill A/c	8,000	12,000	-
To Balance c/d	30,000	45,000	25,000	By Profit & Loss Adjustment A/c	6,500	9,750	-
	94,100	1,06,150	25,000		94,100	1,06,150	25,000

Dr.

Goodwill Account

Cr.

Particulars	₹	Particulars	₹
To Jay's capital A/c	8,000	By Cash / Bank A/c	20,000
To Ajay's Capital A/c	12,000		
	20,000		20,000

Dr.

Cash / Bank Account

Cr.

Particulars	₹	Particulars	₹
To balance b/d	10,000	By balance	55,000
To Goodwill A/c	20,000		
To Vijay's Capital A/c	25,000		
	55,000		55,000

New Balance Sheet as on 1st April, 2016

(After admission)

Liabilities	₹	₹	Assets	₹	₹
Sundry Creditors		30,000	Land and Building	50,000	
Partners' Capital Acc:			Add: Appreciation	10,000	60,000
Jay	30,000		Furniture		19,000
Ajay	45,000		Stock	40,000	
Vijay	25,000	1,00,000	Add: Appreciation	10,000	50,000
Partners Loan Acc :			Sundry Debtors	75,000	
Jay	64,100		Less: New R.D.D. @ 5%	3,750	71,250
Ajay	61,150	1,25,250	Cash/ Bank A/c		55,000
		2,55,250			2,55,250

Working Note for Ratio:-

	Jay	Ajay	Vijay
Old Ratio	2/5	3/5	---
New Ratio	2/5 × 3/4 (6/20)	3/5 × 3/4 (9/20)	1/4 (5/20)
Sacrifice Ratio	3	2	

OR

Q.3.

In the books of Partnership firm

Dr.

Profit and Loss Adjustment A/c.

Cr.

Particulars	₹	₹	Particulars	₹	₹
To Reserve for Doubtful Debts (A/c) (Maintained)		900	By Partners' Capital A/cs: (Loss)		
To Stock A/c (Reduced in value)		2,000	Sunil	1,700	
To Machinery A/c (Depreciation)		2,200	Anil	1,700	
			Vishal	1,700	5,100
		5,100			5,100

Dr.

Partners' Capital Accounts

Cr.

Particulars	Sunil	Anil	Vishal	Particulars	Sunil	Anil	Vishal
	₹	₹	₹		₹	₹	₹
To Profit & Loss Adjustment A/c (Loss)	1,700	1,700	1,700	By Balance b/d	24,000	18,000	16,000
To Vishal's Executor's Loan A/c (Transfer)	-	-	30,700	By Reserve Fund (Transfer)	-	-	6,000
To Balance c/d	26,300	20,300	-	By Profit & Loss A/c (Profit transferred)	4,000	4,000	4,000
				By Goodwill A/c (Transfer)	-	-	2,400
				By Profit and Loss Suspense A/c (Profit transferred)	-	-	4,000
	28,000	22,000	32,400		28,000	22,000	32,400

Balance Sheet as on 2nd October, 2016

Liabilities	₹	₹	Assets	₹	₹
Partners' Capital A/cs:			Goodwill	12,000	
Sunil	26,300		Add: Appreciation	2,400	14,400
Anil	20,300	46,600	Machinery	32,000	
Vishal's Executor's Loan A/c		30,700	Less: Depreciation	2,200	29,800
Creditors		12,000	Stock	22,000	
Reserve Fund		12,000	Less: Reduction in value	2,000	20,000
			Debtors	18,000	
			Less: R.D.D. @ 5%	900	17,100
			Profit and Loss		4,000
			Suspense A/c		
			Bank Balance		16,000
		1,01,300			1,01,300

P.T.O.

Q.4.

In the books of Balaji

Date	Particulars	L.F.	Debit ₹	Credit ₹
2016 Jan. 11	Shreyas's A/c..... Dr. To Bills Receivable A/c (Being)		10,000	10,000
11	Cash A/c..... Dr. To Shreyas's A/c (Being)		6,000	6,000
11	Shreyas's A/c..... Dr. To Interest A/c (Being)		800	800
11	Bills Receivable A/c..... Dr. To Shreyas's A/c (Being)		4,800	4,800
(B) 11	Nayan's A/c..... Dr. To Bank A/c (Being)		6,100	6,100
(C) 11	Laxmi's A/c..... Dr. To Padmavati's A/c (Being)		8,090	8,090
(D) 11	Bank A/c..... Dr. Bank Charges A/c..... Dr. To Bank for collection A/c (Being)		4,800 95	4,895
			40,685	40,685

Q.5.

In the books of Partnership firm

Dr.		Realisation A/c		Cr.	
Particulars		₹	Particulars		₹
To Sundry Assets A/c:			By Bank A/c:		
Stock in Trade	8,000		Stock in Trade	6,100	
Sundry Debtors	10,000		Sundry Debtors	6,500	
Plant and Machinery	20,000		Plant and Machinery	16,000	
Furniture	8,000		Furniture	5,000	
Land and Building	20,000	66,000	Land and Buildings	12,000	45,600
To Cash/Bank A/c			By Partners' Capital A/c:		
Dissolution Expenses		600	Mohanlal (1/3)	7,000	
			Anandraj (1/3)	7,000	
			Krishnalal (1/3)	7,000	21,000
		66,600			66,600

P.T.O.

Partner's Capital A/c

Particulars	Mohanlal	Anandraj	Krishnalal	Particulars	Mohanlal	Anandraj	Krishnalal
To Balance b/f	-	6,500	-	By Balance b/d	8,000	-	4,900
To Realisation A/c (Loss)	7,000	7,000	7,000	By Bank A/c (Recovered)	-	2,000	-
To Deficiency A/c (Transfer)	1,000	-	-	By Deficiency A/c (Transfer)	-	11,500	2,100
	8,000	13,500	7,000		8,000	13,500	7,000

Dr. Sundry Creditors Account Cr.			
Particulars	₹	Particulars	₹
To Deficiency A/c	10,500	By Balance b/d	50,000
To cash/Bank A/c	39,500		
	50,000		50,000

Dr. Bank Loan Account Cr.			
Particulars	₹	Particulars	₹
To Deficiency A/c	2,100	By Balance b/d	10,000
To Cash/Bank A/c	7,900		
	10,000		10,000

Dr. Cash/ Bank Account Cr.			
Particulars	₹	Particulars	₹
To Balance b/d	400	By Realisation A/c	600
To Realisation A/c	45,600	By Sundry Creditors A/c	39,500
To Anandraj's Capital A/c	2,000	By Bank Loan A/c	7,900
	48,000		48,000

Dr. Deficiency Account Cr.			
Particulars	₹	Particulars	₹
To Anandraj's Capital A/c	11,500	By Mohanlal's Capital A/c	1,000
To Krishnalal's Capital A/c	2,100	By Sundry Creditor's A/c	10,500
		By Bank Loan A/c	2,100
	13,600		13,600

OR

P.T.O.

Q.5.

Journal of Manish Company Ltd.

Date	Particulars	L.F.	Debit ₹	Credit ₹
2016 April 1	Bank A/c..... Dr. To 10% Debentures Application & Allotment A/c (Being)		3,60,000	3,60,000
1	10% Debentures Application & Allotment A/c Dr. Loss on issue of Debentures A/c Dr. To 10% Debentures A/c To Premium on Redemption of debentures A/c (Being)		3,60,000 80,000	4,00,000 40,000
Sept. 30	10% Debenture Interest A/c..... Dr. To 10% Debenture holders A/c To Income Tax Payable A/c (Being)		20,000	18,000 2,000
30	10% Debenture holders A/c..... Dr. To Bank A/c (Being)		18,000	18,000
2017 Mar 31	10% Debenture Interest A/c..... Dr. To 10% Debenture holder A/c To Income Tax Payable A/c (Being)		20,000	18,000 2,000
31	10% Debentureholders A/c..... Dr. To Bank A/c (Being)		18,000	18,000
31	Income Tax Payable A/c..... Dr. To Bank A/c (Being)		4,000	4,000
31	Profit and Loss A/c..... Dr. To Debenture Interest A/c (Being)		40,000	40,000
	TOTAL		9,20,000	9,20,000

P.T.O.

Q.6

In the books of Patil Hospital, Buldhana

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

Expenditure	₹	₹	Income	₹	₹
To Medicines		40,000	By Subscriptions	4,70,000	
To Honorarium to			Less: Outstanding for 2014-15	30,000	
Doctors		3,00,000		4,40,000	
To Ambulance		1,76,000	Less: Received in advance		
Maintenance			(2016-17)	60,000	
To Staff Salary		30,000		3,80,000	
outstanding			Add: Outstanding Subscription		
To Depreciation:			(2015 - 16)	20,000	4,00,000
Hospital Equipment	12,000		By Life Membership Fees	1,00,000	
Furniture	10,000	22,000	Less: Capitalised	1,00,000	-
To Excess of Income			By Hospital Receipts		6,00,000
over					
Expenditure (Surplus)		4,32,000			
		10,00,000			10,00,000

Balance Sheet as on 31st March 2016

Liabilities	₹	₹	Assets	₹	₹
Capital Fund	8,64,000		Land		10,00,000
Add: Capitalisation of Life			Investment		2,00,000
Membership Fees	1,00,000		Ambulance		4,10,000
Add: Surplus	4,32,000	13,96,000	Furniture	1,00,000	
Bank Loan		8,00,000	Less: Dep. @ 20% for 6		
Building Fund		2,20,000	months	10,000	90,000
(Donation Received)			Hospital Equipment	1,20,000	
Subscription Received in			Less: Dep. @ 20% for		
Advance		60,000	6 months	12,000	1,08,000
Outstanding Staff Salaries		30,000	Fixed Deposit		4,00,000
			Outstanding		
			Subscription for		20,000
			2015-16		
			Cash in hand		2,78,000
		25,06,000			25,06,000

Working Note:

Opening Balance Sheet as on 1st April, 2015

Liabilities	₹	₹	Assets	₹	₹
Capital Fund		8,64,000	Cash		24,000
Bank Loan		8,00,000	Land		10,00,000
			Investments		2,00,000
			Subscription		30,000
			Ambulance		4,10,000
		16,64,000			16,64,000

P.T.O.

Q.7.

In the book of M/s. Geeta Saw Mill

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

Particulars	₹	₹	Particulars	₹	₹
To Opening Stock		54,000	By Sales		4,26,000
To Purchases		2,84,000	By Closing Stock		70,000
To Wages		16,000			
To Gross Profit c/d		1,42,000			
		4,96,000			4,96,000

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

Particulars	₹	₹	Particulars	₹	₹
To Rent and Taxes		4,780	By Gross Profit b/d		1,42,000
To Salaries		42,000	By Interest due on 10% Government bonds		1,000
To Insurance	7,200				
Less: Prepaid	1,800	5,400			
To R.B.D.D. A/c					
Bad debts	2,000				
Add: New Bad debts	4,000	6,000			
To Interest on Capital A/cs					
Aarti	7,200				
Bharti	6,300	13,500			
To Depreciation :					
Furnitures	4,500				
Building	14,000	18,500			
To Salary to Aarti		7,000			
To Commission to Bharat		8,520			
To Partners' Current A/cs:					
Aarati	22,380				
Bharti	14,920	37,300			
		1,43,000			1,43,000

Dr. Partners' Capital A/c Cr.

Particulars	Aarti	Bharti	Particulars	Aarti	Bharti
To Balance b/d	-	3,000	By Balance b/d	4,980	-
			By Salary A/c	7,000	-
			By Commission A/c	-	8,520
To Balance c/d	41,560	26,740	By Interest on Capital A/c	7,200	6,300
			By Profit & Loss A/c	22,380	14,920
	41,560	29,740		41,560	29,740

P.T.O.

Dr.

Balance Sheet as on 31st March, 2016

Cr.

Liabilities	₹	₹	Assets	₹	₹
Partners' Capital A/c			Building	1,40,000	
Aarti	1,44,000		Less; Depreciation @ 10%	14,000	1,26,000
Bharti	1,26,000	2,70,000	Furniture	30,000	
Partners' Current A/c			Less: Depreciation @ 15%	4,500	25,500
Aarti	41,560		Sundry Debtors	1,60,000	
Bharati	26,740	68,300	Less: New bad debts	4,000	1,56,000
Sundry Creditors		1,39,000	10% Govt. Bonds	40,000	
			Add: Interest due on		
			Govt. Bonds	1,000	41,000
			Motor Car		50,000
			Closing Stock		70,000
			Prepaid Insurance		1,800
			Cash in hand		7,000
		4,77,300			4,77,300
