2019
ACCOUNTANCY

Full marks : 70 Time : 3 hours

General instructions :

i) Approximately 15 minutes is allotted to read the question paper and revise the answers.
ii) The question paper consists of 17 questions. All questions are compulsory.
iii) Marks are indicated against each question.
iv) Internal choice has been provided in some questions.
N.B: Check that all pages of the question paper is complete as indicated on the top left side.

1. What is partnership deed? 1

2. Write two characteristics of partnership. 1

3. Why does a new partner bring in goodwill into the firm? 1

4. Name any two items which are not usually transferred to realization account. 1

5. Write any two major resources of capital reserve. 1

6. What is pro-rata allotment? 1

7. Write any two debentures from security point of view. 1

8. A firm earns a profit of ₹ 33,000. In such type of business 15% return is reasonable return. The total assets of the firm are ₹ 1,80,000, whereas liabilities are ₹ 20,000.Find out the value of goodwill by capitalization method using average profit. 3

9. A, B and C were partners in a firm sharing profits in the ratio of 3:2:1.The profits of the firm for the year ending on 31st December, 2017 was ₹ 1,20,000. B dies on 31st March, 2018.Calculate B's share of profit and pass journal entry. 3

10. Bajaj Auto Ltd. had invited applications for 1,00,000 equity shares of ₹ 10 each at a premium of 20%. The total number of applications received were 1,20,000. List the three alternatives for allotting these shares. 3

11. Explain any three types of charge on debentures. 3

12. Write any three features of financial statements. 3

13. a. Explain any six features of debentures.

Or 6

b. Sultan Limited purchased from Multan Limited a plant for ₹ 3,60,000 payable in 15% debentures of ₹ 100 each. Give necessary journal entries in the books of Sultan Limited if debentures are issued:
i) at par
ii) at 20% premium and
iii) at 10% discount.

14. Answer any two questions from the following : 2×6=12

a. Explain any six objectives of financial analysis.

b. Prepare a common size Income Statement of Cadila Medical Limited from the following information.

Particulars	31.03.2016 (₹)	31.03.2017 (₹)
Sales	4,00,000	4,80,000
Gross profit	38% of sales	42% of sales
Indirect expenses	15% of gross profit	15% of gross profit
Other income	5,000	6,000
Income Tax rate	35%	40%

c. Working capital of the company is ₹ 30,000. Its current ratio is 2.5:1. Calculate the value of
i) current assets
ii) current liabilities. (3+3=6)

15. a. Jacob Limited invited the public to subscribe for its 50,000 shares of ₹ 100 each at a premium of 10% payable as follows :

On application	₹ 20
On allotment	₹40(including premium)
On 1st call	₹20
On final call	₹30

Applications were received for 80,000 shares. No allotment was made to the applicants for 15,000 shares. Full allotment was made to the applications for 5,000 shares and rest were allotted on pro-rata basis. All money was

received except first call and final call on 500 shares and final call on another 100 shares. Write journal entries and prepare balance sheet of the company.

Or 10

b. Kolkata Trading Company issued prospectus offering to public for subscription of 10,000 shares of ₹ 10 at ₹ 12 each. The shares were payable as follows : ₹ 3 on application, ₹ 5 on allotment (including premium), ₹ 4 on first and final call. Mohan who had 200 shares paid only application money and Alok did not pay the call on his 300 shares. Shares of both were forfeited after the call. Write journal entries in the books of the company and prepare the Balance Sheet.

16. a. A and B are sharing profits in the ratio of 5:3 . Admit C as a partner with 1/3rd share in profits. He had to contribute ₹ 25,000 as his capital. The Balance Sheet of A and B before admission of C was as follows;

BALANCE SHEET of A and B

Liabilities	₹	Assets		₹
Sundry Creditors	21,000	Goodwill		10,000
Bills payable	6,000	Land and building		25,000
Capital Accounts:		Plant and machinery		30,000
A 50,000		Stock		15,000
B 35,000	85,000	Sundry Debtors	20,000	
General reserve	16,000	Less: Provision for bad debts	1,500	18,500
		Investment		20,000
		Cash		9,500
	1,28,000			1,28,000

Other terms agreed upon were;
i) Goodwill of the firm was to be valued at ₹ 24,000.
ii) Land and building were to be valued at ₹ 35,000 and plant and machinery at ₹ 25,000.
iii) The provision for bad debts was found to be in excess by ₹ 400.
iv) A liability for ₹ 1,000 included in sundry creditors was not likely to arise.
v) ₹ 12,000 of investments were to be taken over by A and B in their profit sharing ratio.
vi) B is to withdraw ₹ 3,400 in cash.

Prepare Revaluation A/C, Partner's Capital A/Cs and show the Balance Sheet of the firm after C's admission.

Or 10

b. X, Y and Z are sharing profits in the ratio of 2:2:1. On 31st March, 2017, they decided to dissolve the firm and on that date, their Balance Sheet was as follows;

Balance Sheet of X, Y and Z as on 31st March, 2017

Liabilities	₹	Assets		₹
Creditors	11,000	Bank balance		7,000
Bank loan	6,000	Debtors	16,000	
General reserve	4,000	Less: Reserve for bad debts	1,000	15,000
Capital Accounts:		Stock		15,000
X-30,000		Furniture		5,000
Y-25,000		Machinery		9,000
Z-15,000	70,000	Building		40,000
	91,000			91,000

X agreed to take over the business (except bank balance) at: Debtors ₹ 14,500; Stock ₹ 14,000; Machinery ₹ 20,000; Building ₹ 35,000; Furniture ₹ 8,000; Goodwill ₹ 10,000. Bank loan was repaid and Creditors were taken over by X at ₹ 10,500. The dissolution expenses were ₹ 100. Prepare Realisation Account, Partners Capital Account and Bank Account.

17. **a.** From the following Balance Sheets of Mr. Kito on 31st December 2016 and 2017. Prepare the Cash Flow Statement as per AS-3(Revised).

Balance Sheets of Mr. Kito as on 31st December, 2016 and 2017

Liabilities	2016 ₹	2017 ₹	Assets	2016 ₹	2017 ₹
Sundry Creditors	36,000	41,000	Cash	4,000	3,600
Long term loan	30,000	45,000	Debtors	35,000	38,400
Capital	1,48,000	1,49,000	Stock	25,000	22,000
			Land	20,000	30,000
			Buildings	50,000	55,000
			Machinery	80,000	86,000
	2,14,000	2,35,000		2,14,000	2,35,000

Or 10

b. Balance Sheets of M Limited as on 31st December, 2017 and 2018 are given below :

BALANCE SHEETS OF M LIMITED as on 31st December, 2017 and 2018

Liabilities	2017 ₹	2018 ₹	Assets	2017 ₹	2018 ₹
Share capital	5,50,000	6,00,000	Goodwill	20,000	15,000
Securities premium	–	50,000	Trade investment	1,50,000	2,00,000
Profit & Loss A/C	–	25,000	Fixed assets	5,50,000	5,50,000
Debentures	2,00,000	–	Debtors	60,000	40,000
Bank Loan(long term)	80,000	1,00,000	Stock	1,20,000	80,000
Creditors	60,000	75,000	Cash	12,000	–
Proposed dividends	10,000	15,000	Prepaid expenses	8,000	5,000
Provision for taxation	20,000	25,000			
	9,20,000	8,90,000		9,20,000	8,90,000

Prepare the Cash Flow Statement.

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