

# BOARD QUESTION PAPER : MARCH 2016

Time: 3 Hours

Max. Marks: 80

- Q. 1. Attempt any THREE of the following sub-questions:** [15]
- (A) Answer the following questions in 'one' sentence each:** (5)
- (1) What is bad debts?
  - (2) What is surplus?
  - (3) What are Noting Charges?
  - (4) What is Gain Ratio?
  - (5) What do you mean by Analysis of Financial Statement?
- (B) Write a word/term/phrase which can substitute each of the following statements:** (5)
- (1) Expenses which are paid before due.
  - (2) Excess of expenditure over income of 'not for profit' concerns.
  - (3) Payment of the bill before due date.
  - (4) An account opened to find out the profit or loss on sale of assets and settlement of liabilities.
  - (5) A statement similar to balance sheet.
- (C) Select the most appropriate alternative from those given below and rewrite the statements:** (5)
- (1) If shares are issued at its face value, it is called as issue at \_\_\_\_\_.  
(A) premium (B) discount  
(C) par (D) none of these
  - (2) A person who accepts the bill is called \_\_\_\_\_.  
(A) drawer (B) acceptor  
(C) payee (D) creditor
  - (3) The capital in the beginning of the accounting year is ascertained by preparing \_\_\_\_\_.  
(A) closing statement of affairs (B) cash account  
(C) statement of profit or loss (D) opening statement of affairs
  - (4) If any asset is taken over by partner from firm his capital A/c will be \_\_\_\_\_.  
(A) credited (B) debited  
(C) added (D) none of these
  - (5) The proportion in which old partners make a sacrifice is called \_\_\_\_\_ ratio.  
(A) capital (B) gaining  
(C) sacrifice (D) new
- (D) State whether the following statements are True or False:** (5)
- (1) The interest on capital is an income of the firm.
  - (2) The inland bill which is drawn in and payable in the same country.
  - (3) The debenture holder is owner of the company.
  - (4) Purchase of fixed asset is operating cash flow.
  - (5) Noting charges are payable to the Notary public, in case of honour of a bill.

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

- (1) Drawee – M.P. Shinde,  
Siddharth Nagar,  
Panchgani.
- (2) Drawer – M.M. Shaikh,  
Satara Road,  
Sangli
- (3) Period of bill – 90 days
- (4) Amount of bill – Rs. 12,800
- (5) Date of bill – 10<sup>th</sup> March, 2013
- (6) Date of acceptance – 14<sup>th</sup> March, 2013

Q. 2. Mrs. Meena of Bilaspur has not kept proper books of accounts, following information is provided to you: [8]

Particulars	31.03.2012 Amount (Rs.)	31.03.2013 Amount (Rs.)
Machinery	50,000	50,000
Furniture	50,000	30,000
Debtors	18,000	25,000
Creditors	18,000	20,000
Stock	30,000	42,000
Outstanding Expenses	1,500	–
Pre-paid Expenses	–	500
Cast at Bank	28,000	40,000

Further information:

- (1) Mrs. Meena introduced additional capital as on 1<sup>st</sup> October, 2012 by selling her personal car is Rs. 10,000.
- (2) She paid her daughter's college fees from business bank account Rs. 3,000.
- (3) Depreciate machinery by 5% p.a.
- (4) Provide 2% on debtors for Bad and Doubtful debts.
- (5) Interest on capital is to be provided @ 5% p.a. and on drawings @ 5% p.a.

Prepare: Opening and closing statement of affairs and statement of profit or loss for the year ended 31<sup>st</sup> March, 2013.

OR

- (A) What are the components of 'Current Ratio'? (4)
- (B) What are the different cash inflows and cash outflows of investing activities? (4)

Q. 3. Rani and Geeta are partners sharing profits and losses 3:2 respectively. Their position on 31<sup>st</sup> March, 2013 was as follows: [10]

Balance Sheet as on 31<sup>st</sup> Mar, 2013

Liabilities	Amount Rs.	Assets	Amount Rs.	Amount Rs.
Capital A/c's		Building		1,00,000
<i>Rani</i>	1,00,000	Furniture		10,000
<i>Geeta</i>	75,000	Stock		31,000
Creditors	10,000	Debtors	50,000	
Bills payable	5,000	<i>Less : R.D.D.</i>	– 1,000	49,000
General Reserve	15,000	Bank Balance		15,000
	<b>2,05,000</b>			<b>2,05,000</b>

On 1<sup>st</sup> April, 2013 they admitted Suvarna on the following terms:

- (1) Suvarna should bring in cash Rs. 1,00,000 as capital for 1/5<sup>th</sup> share in future profit and Rs. 25,000 as goodwill.
- (2) Building should be revalued at Rs. 1,25,000.
- (3) Depreciate furniture @ 12 ½% p.a. and stock @ 10% p.a.
- (4) R.D.D. should be maintained as it is.
- (5) The Capital Accounts of partners should be adjusted in their new profit sharing ratio through bank account.

Prepare:

Profit and loss adjustment account, capital accounts and balance sheet of the new firm.

**OR**

The balance sheet of 'Anand Traders, Wardha is as follows. Partners share profits and losses as

$$\frac{5}{10} : \frac{2}{10} : \frac{3}{10}$$

**Balance Sheet as on 31<sup>st</sup> Mar, 2013**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
<b>Capital A/c's:</b>		Plant and Machinery	32,000
<i>Sunil</i>	36,000	Factory Building	40,000
<i>Pankaj</i>	32,000	Stock	20,400
<i>Paresh</i>	17,600	Debtors	16,800
Creditors	21,200	<i>Less: R.D.D</i>	<u>    - 800</u>
General Reserve	14,000	Cash	12,400
	<b>1,20,800</b>		<b>1,20,800</b>

Pankaj retired from the business on 1<sup>st</sup> Apr, 2013 on the following terms :

- (1) The assets were revalued as under: (i) Stock Rs. 28,000. (ii) Factory building is appreciated by 10%. (iii) Reserve for doubtful debts is to be increased up to Rs. 1,000. (iv) Plant and machinery is to be depreciated by 10%.
- (2) The goodwill of the retiring partner is valued at Rs. 8,000 and the remaining partners decided that goodwill be written back in their new profit sharing ratio which will be 5 : 3.
- (3) Amount due to Pankaj is to be transferred to his loan account.

Prepare : (a) Profit and loss adjustment account, (b) Capital account of partners, (c) Balance sheet of new firm.

Q.4. Raja of Nagpur draws a bill on Pradhan of Bhandara for Rs. 6,000 at 3 months. Pradhan accepted and returned it to Raja. Raja then sent the bill to bank for collection. **[10]**

On due date, Pradhan finds himself unable to make payment of the bill and requests Raja to renew it. Raja accepted a proposal on the condition that, Pradhan should pay Rs. 1,000 on account along with interest Rs. 250 in cash and should accept new bill for the balance at 2 months. These arrangements were carried through.

Afterwards, one month before due date of new bill Pradhan retired his acceptance by paying Rs. 4,850.

Give Journal entries in the books of Raja of Nagpur.

Q. 5. A, B and C were partners sharing profits and losses in the proportion of 2 : 2 : 1. Following is their balance sheet as on 31<sup>st</sup> March, 2013:

[10]

**Balance Sheet as on 31<sup>st</sup> Mar, 2013**

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
<b>Capital A/c's:</b>		Machinery	25,000
A	30,000	Stock	10,000
B	10,000	Debtors	27,500
C	10,000	Less: R.D.D.	-1,500
General reserve	3,000	Investment	12,000
Creditors	20,000	Profit and Loss A/c.	9,000
A's loan A/c	4,000	Bank	2,000
Bills payable	7,000		
	<b>84,000</b>		<b>84,000</b>

On the above date, the partners decided to dissolve the firm.

(1) Assets were realised as —

Machinery Rs. 22,500, Stock Rs. 9,000, Investment Rs. 10,500, Debtors Rs. 22,500.

(2) Dissolution expenses were Rs. 1,500.

(3) Goodwill of the firm realised Rs. 12,000.

Pass the necessary journal entries in the books of the firm.

**OR**

Kisan Co. Ltd. Miraj, issued Rs. 50,000 shares at par Rs. 10 each, payable Rs. 3 on application, Rs. 4 on allotment and the balance on the final call. All the shares were fully subscribed and paid except a shareholder Mr. D. Kapse having Rs. 1,000 shares could not pay the final call. Mr. D. Kapse paid the call-in-arrear amount together with interest after four months of due date of final call. Company charged interest on the arrears received as per table 'A'.

Pass journal entries to record these transactions assuming that call-in-arrears and interest money received from Mr. D. Kapse in the books of Kisan Co. Ltd. Miraj.

Q. 6. Marathi Vishwa Kosha Centre, Wai, has given you the following information from which, you are required to prepare : (i) Income and Expenditure Account for the year ending on 31.03.2013, (ii) Balance sheet as on 31.03.2013.

[12]

**Receipts and Payments Account for the year ending 31.03.2013**

Dr.		Cr.	
Receipts	Amount (Rs.)	Payments	Amount (Rs.)
To Balance b/d		By Stationery	5,000
Cash in Hand	13,000	By Furniture (Purchased on	
Cash at Bank	95,000	01.01 2013)	50,000
To Locker Rent	5,000	By Investments	1,00,000
To Entrance fees	19,000	By Expenses of Drama	33,500
To Sale of old newspapers	1,500	By Postage and telegram	2,500
To Receipts from Drama	78,500	By Magazines and newspapers	4,000

To Legacies	1,10,000	By Salaries	22,000
To Miscellaneous Receipts	8,000	By Balance c/d	
		<i>Cash in hand</i>	3,000
		<i>Cash at bank</i>	1,10,000
	<b>3,30,000</b>		<b>3,30,000</b>

Additional information :

- (1) Capital fund on 01.04.2012, was Rs. 1,08,000.
- (2) Legacies are to be capitalised.
- (3) Outstanding salary Rs. 3,000.
- (4) 50% of entrance fees is to be capitalised.
- (5) Depreciation on Furniture @ 10% p.a.

Q. 7. From the following Trial Balance and adjustments of M/s Apeksha and Pratiksha; you are required to prepare Trading and Profit and Loss account, for the year ended 31<sup>st</sup> March, 2013 and Balance Sheet as on that date :

[15]

**Trial Balance as on 31.03.2013**

Particulars	Debit Amount (Rs.)	Credit Amount (Rs.)
Capital Accounts		
<i>Apeksha</i>		60,000
<i>Pratiksha</i>		35,000
Purchases and Sales	46,700	85,000
Sundry Debtors and Creditors	28,000	25,000
Bills receivable and Bills Payable	9,600	7,800
Opening stock	18,000	
Wages	9,900	
Investment	13,500	
Postage and Telegrams	3,600	
Insurance	1,200	
Plant and Machinery	40,700	
Furniture	18,000	
Cash in hand	2,500	
Carriage	3,200	
Bad Debts	400	
Pre-paid rent	7,000	
Salaries	10,500	
	<b>2,12,800</b>	<b>2,12,800</b>

Adjustments :

- (1) The closing stock is valued at Rs. 31,000.
- (2) Outstanding wages Rs. 1,400.
- (3) Depreciate furniture at 10% p.a.
- (4) Insurance Rs. 500 is paid in advance.
- (5) Provide for further bad debts of Rs. 1,500.
- (6) Goods worth 2,000 withdrawn by Apeksha for her domestic use but not recorded in the books of account.