

BOARD QUESTION PAPER : MARCH 2017

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) Which statement is prepared under single entry system to ascertain profit?
 - (2) What is 'capital deficiency'?
 - (3) What do you mean by 'non-recurring expenses'?
 - (4) How is gain ratio calculated?
 - (5) What is 'retirement of a bill of exchange'?
- (B) Write a word/term/phrase as a substitute for each of the following statements: (5)
- (1) The amount which is not recoverable from the debtors.
 - (2) A person on whom a bill is drawn.
 - (3) The ratio measuring the relationship between gross profit and net sales.
 - (4) Winding up of partnership business.
 - (5) Officer appointed by the Central Government for noting of dishonour of a bill.
- (C) Select the most appropriate alternative from those given below and rewrite the statements: (5)
- (1) _____ is an intangible asset.
(A) Goodwill (B) Stock
(C) Building (D) Cash
 - (2) _____ is an acknowledgement of debt under common seal of a company.
(A) Share (B) Debenture
(C) Cheque (D) Bond
 - (3) When closing capital is greater than opening capital, it denotes _____.
(A) profit (B) loss
(C) no profit, no loss (D) asset
 - (4) Cash proceeds from the issue of debentures is a _____ activity.
(A) operating (B) trading
(C) financial (D) non-financial
 - (5) _____ is a person to whom the amount on a bill is payable.
(A) Drawer (B) Drawee
(C) Payee (D) Endorser
- (D) State whether the following statements are True or False: (5)
- (1) Not for profit concerns do not have profit motive.
 - (2) Bank account is debited when a bill is sent to the bank for collection.
 - (3) A new partner is admitted in the firm for getting additional capital and skill.
 - (4) Closing stock is always valued at market price.
 - (5) Shares are always issued at par.
- (E) Prepare a specimen of Bill of Exchange from the following information: (5)
- (1) Drawer – Shri Ratnakar Patil,
205, New Bazer,
Amaravati.
 - (2) Drawee – Shri Jairam Purohit,
Hiwarkheda Road,
Kannad.

- (3) Payee – Shri Rohit Joshi,
Kedareshwar Market,
Ladjalgaon.
- (3) Period of bill – 3 months
- (4) Amount of bill – Rs. 25,000
- (5) Date of bill – 25th August, 2013
- (6) Date of acceptance – 28th August, 2013

Q.2. Mr. John keeps his books according to single entry system. Following are the details of his business: [8]

Particulars	01.04.2012 Amount (Rs.)	31.03.2013 Amount (Rs.)
Machinery	70,000	70,000
Furniture	10,000	20,000
Stock	36,000	42,000
Sundry debtors	72,200	88,400
Cash in hand	3,000	4,100
Cash at bank	42,000	52,300
Sundry creditors	54,500	60,400

Additional information:

- (1) Mr. John had introduced Rs. 20,000 as additional capital on 1st October, 2012.
- (2) Mr. John had withdrawn Rs. 15,000 for his personal use during the year.
- (3) Additions to furniture were made on 1st October, 2012.
- (4) Depreciate machinery at 10% p. a. and furniture at 20% p. a.

Prepare:

- (1) Opening and Closing Statement of Affairs.
- (2) Statement of Profit or Loss for the year ending on 31st March, 2013

OR

- (A) What are the objectives of 'ratios'? (4)
- (B) State the various sources of cash inflows from operating activities. (4)

Q.3. Ram and Madan were partners in a firm sharing profits and losses equally. Following was their balance sheet as on 31.03.2012: [10]

Balance Sheet as on 31.03.2012

Liabilities	Amount Rs.	Assets	Amount Rs.
Capital:		Plant and machinery	90,000
<i>Ram</i>	1,00,000	Furniture	15,000
<i>Madan</i>	1,00,000	Sundry debtors	92,600
General reserve	40,000	Less: R.D.D.	1,600
Sundry creditors	55,300	Stock	68,000
		Cash in hand	4,200
		Cash at bank	27,100
	2,95,300		2,95,300

On 1st April, 2012, Soham was admitted as a partner in the firm on the following terms:

- (1) Soham is to bring in Rs. 1,00,000 as his capital. He is to be given 1/3rd share in future profits.
- (2) Goodwill of the firm to be raised at Rs. 30,000. It was decided that 'goodwill' should not appear in the books of the new firm.
- (3) Furniture to be depreciated by 10%. Stock was valued at Rs. 70,500.

Prepare:

- (1) Profit and Loss Adjustment Account.
- (2) Partners' Capital Accounts.
- (3) Balance Sheet of the new firm.

OR

Following is the balance sheet at Sharmila, Urmila and Pramila, who shared profits and losses in the ratio of 5 : 3 : 2 respectively:

Balance Sheet as on 31st March, 2013

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital accounts:		Land and buildings	2,50,000
<i>Sharmila</i>	2,00,000	Plant and Machinery	70,000
<i>Urmila</i>	1,50,000	Furniture	20,000
<i>Pramila</i>	1,00,000	Sundry debtors	90,000
Reserve fund	50,000	Stock	56,500
Sundry creditors	42,800	Bills receivable	7,400
Bills payable	6,000	Cash in hand	3,700
		Cash at bank	51,200
	5,48,800		5,48,800

Pramila retired on 31st March, 2013 on the following terms:

- (1) Goodwill of the firm was valued at Rs. 60,000. It was decided that 'goodwill' should be raised to the extent of Pramila's share only, and to be written off immediately.
- (2) Land and building to be appreciated by Rs. 20,000. Stock is revalued at Rs. 58,500. Furniture is to be depreciated by 10%.
- (3) Amount payable to Pramila is to be transferred to her loan account.

Give Journal Entries in the books of the firm.

Q.4. RajamadesalesofgoodsworthRs.40,000toPradhanandreceivedapartpaymentofRs.10,000. [10]

On the same date, Raju drew on Pradhan a three months' bill for Rs. 30,000, received the acceptance on the bill and sent the bill to the bank for collection immediately.

However, on the due date, the bill was dishonoured due to Pradhan's insolvency and only 50% of the amount due could be recovered from his private estate as the first and final dividend.

Give Journal Entries and Pradhan's Account in the books of Raja.

Q.5. Akbar and Birbal were partners in a firm sharing profits and losses in the ratio of 3 : 2 respectively. [10]

Their balance sheet as on 31st March, 2013 was as follows :

Balance Sheet as on 31st March, 2013

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital A/c's:		Plant and Machinery	40,000
<i>Akbar</i>	60,000	Furniture	12,000
<i>Birbal</i>	40,000	Sundry debtors	61,000
General reserve	20,000	Less: R.D.D.	<u>1,000</u>
Sundry creditors	39,700	Stock	28,300
		Bank	19,400
	1,59,700		1,59,700

On the above date, the firm was dissolved and the assets realised were as follows :

Plant and machinery Rs. 30,000.

Sundry debtors Rs. 58,000.

Furniture was taken over by Akbar for Rs. 10,000 and stock by Birbal for Rs. 27,000. Sundry creditors were paid Rs. 38,000 in full settlement of their claim.

Realisation expenses amounted to Rs. 2,000.

- Prepare:** (1) Realisation Account
 (2) Partners' Capital Accounts
 (3) Bank Account

OR

Modern Chemicals Co. Ltd. made an issue of 60,000 shares of Rs. 20 each payable as follows : On application Rs. 5 per share

On allotment Rs. 5 per share

On first call Rs. 4 per share

On second call Rs. 3 per share

The company received applications for 65,000 shares of which applications for 5,000 shares were rejected and money refunded.

All the shareholders paid up to second call except one shareholder, Mr. Bhupendra, the allottee of 100 shares, who did not pay the amount of the second call.

Give Journal Entries in the books of Modern Chemicals Co., Ltd.

- Q. 6. With the help of the Balance Sheet and Receipts and Payments Accounts of Adarsh Cultural Club, Mumbai, prepare Income and Expenditure Account for the year ended 31st March, 2013 and the Balance Sheet as on that date : [12]

Balance Sheet as on 01.04.2012

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Capital fund	2,57,000	Buildings	2,50,000
Building fund	50,000	Furniture	20,000
Outstanding salary	1,300	Outstanding Subscription	1,000
		Cash in hand	2,400
		Cash at bank	34,900
	3,08,300		3,08,300

Receipts and Payments Account for the year ending 31.03.2013

Dr. Receipts	Amount (Rs.)	Cr. Payments	Amount (Rs.)
To Balance b/d		By Salaries	35,300
<i>Cash in hand</i>	2,400	By Furniture (Purchased on	
<i>Cash at bank</i>	34,900	01.10.2012)	10,000
To Subscriptions		By General expenses	8,400
2011-12	1,000	By Printing and stationery	4,200
2012-13	48,000	By Drama expenses	16,000
2013-14	2,000	By Balance c/d	
	51,000	<i>Cash in hand</i>	4,600
To Donations for building fund	20,000	<i>Cash at bank</i>	57,800
To Drama receipts	28,000		

	1,36,300	1,36,300
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You are also required to consider the additional information given below:

- (1) The club had 100 members, each paying Rs. 500 as annual subscription.
- (2) Furniture to be depreciated at 20% p.a.
- (3) Salaries include Rs. 1,300 paid for outstanding salaries for the year 2011-12. Salaries outstanding for the year 2012-13 were Rs. 700.

Q.7. Jaya and Maya are partners in a firm sharing profits and losses in the ratio of 2 : 3 respectively. With the help of the trial balance and adjustments given below, you are required to prepare their Trading, Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as on that date :

[15]

Trial Balance as on 31st March, 2013

Debit Balances	Amount (Rs.)	Credit Balances	Amount (Rs.)
Purchases	1,09,000	Sundry creditors	45,600
Insurance	3,700	Sales	1,94,000
Rent, rates and taxes	14,600	R.D.D.	2,000
Office expenses	7,300	Commission	5,500
Land and buildings	3,00,000	Capital A/c's:	
Plant and machinery	60,000	<i>Jaya</i>	2,00,000
Furniture	15,000	<i>May</i>	2,50,000
Carriage inwards	3,700	<i>a</i>	
Sundry debtors	88,000	Current A/c's:	3,400
Stock (as on 01.04.2012)	32,800	<i>Jaya</i>	9,100
Wages and salaries	28,600	<i>May</i>	
Cash in hand	4,700	<i>a</i>	
Cash at bank	40,200		
Drawings A/c's:			
<i>Jaya</i>	500		
<i>Maya</i>	1,500		
	7,09,600		7,09,600

Adjustments :

- (1) Closing stock was valued at Rs. 22,600.
- (2) Purchases include purchase of furniture of Rs. 10,000 made on 1st October, 2012.
- (3) Depreciate land and buildings at 10% p.a.; plant and machinery at 10% p.a. and furniture at 20% p.a.
- (4) Create R.D.D. at 5% on sundry debtors.