

BOARD QUESTION PAPER : MARCH 2015

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 'liability of partners'?
 - (2) What is meant by 'capital fund'?
 - (3) What is 'gain ratio'?
 - (4) What do you mean by 'issue of shares at premium'?
 - (5) What are 'noting charges'?
- (B) Write a word/term/phrase which can substitute each of the following statements:** (5)
- (1) Excess of income over expenditure of a 'not for profit' concern.
 - (2) Debit balance of revaluation account.
 - (3) The debentures which are convertible into shares.
 - (4) A person who draws a bill of exchange.
 - (5) An asset which can be converted into cash immediately.
- (C) Select the most appropriate alternative from those given below and rewrite the statements:** (5)
- (1) Dissolution expenses are credited to _____.
(A) Realisation Account (B) Cash/Bank Account
(C) Partner's capital Account (D) Partner's Loan Account
 - (2) Pre-paid expenses are shown on the _____ side of balance sheet.
(A) assets (B) liability
(C) debit (D) cash
 - (3) A bill is drawn on 23rd Sept, 2013 at 4 months would be payable on _____.
(A) 24th Jan, 2014 (B) 25th Jan, 2014
(C) 26th Jan, 2014 (D) 25th Jan, 2013
 - (4) Capital balance is ascertained by preparing _____.
(A) Statement of Affairs (B) Cash Account
(C) Drawing Account (D) Debtor's Account
 - (5) From financial statement analysis the creditors are interested to know _____.
(A) liquidity (B) profit
(C) share (D) share capital
- (D) State whether the following statements are True or False:** (5)
- (1) Balance sheet is a nominal account.
 - (2) Drawee can transfer the ownership of a bill.
 - (3) Debit balance of insolvent partner's capital account is known as 'capital deficiency'.
 - (4) A bill drawn in India and payable in Japan is a foreign bill.
 - (5) Under single entry system it is not possible to prepare trial balance.

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

- (1) Drawer – Shri Mahesh Patil,
Plot No. 25, “Ganesh Nivas”
Mahesh Nagar, Koregaon.
- (2) Drawee – Shri Vijay Jadhav,
“Saket” M.G. Road,
Pune – 11.
- (3) Payee – Shri Sanjay Bornare,
Vaijapur.
- (4) Period of bill – 60 days
- (5) Date of bill – 16th Mar, 2013
- (6) Amount of bill – ₹ 15,000
- (7) Date of acceptance – 20th Mar, 2013

Q. 2. Mr. Anil keeps his books by single entry method. Following are the details of his business: [8]

Particulars	01.04.2012 Amount (RS)	31.03.2013 Amount (RS)
Cash in Hand	10,000	16,000
Cash at Bank	20,000	36,000
Stock	16,000	24,000
Furniture	18,000	18,000
Plant and Machinery	60,000	90,000
Creditors	15,000	18,000
Debtors	24,000	30,000

During the year Mr. Anil has withdrawn ₹ 10,000 for his private purpose and bought goods of RS 2,000 for household use.

On 1st Oct, 2012, he sold his household furniture for RS 2,000 and deposited the same amount in the business bank account.

Provide depreciation on machinery @ 10% p.a. (assuming additions were made on 1st Oct, 2012) and on furniture @ 5%.

Prepare:

- (a) Opening Statement of Affairs. (b) Closing Statement of Affairs.
(c) Statement of Profit or Loss for the year ended 31st Mar, 2013.

OR

- (A) What are the components of current ratio? (4)
(B) State the objectives of financial statements from the view point of a business concern. (4)

Q. 3. Akash and Suraj are partners in a firm sharing profits and losses in the ratio 3 : 2. Their balance sheet as on 31st Mar, 2013 was as follows: [10]

Balance Sheet as on 31st Mar, 2013

Liabilities	Amount (RS)	Assets	Amount (RS)
Capital A/c's:		Furniture	2,100
Akash	50,000	Stock	28,700
Suraj	50,000	Land and Building	35,000
General Reserve	10,000	Plant and Machinery	49,000
Sundry Creditors	60,000	Sundry Debtors	63,000
Bills Payable	17,000	Cash	9,200
	1,87,000		1,87,000

They agreed to admit Sanjay in their partnership on 1st Apr, 2013, on the following terms:

- (1) Sanjay should bring RS1,500, as his share of goodwill in the firm, and RS 2,000 as his capital.
- (2) Reserve for doubtful debts is to be provided @ 5% on debtors.
- (3) Land and building be depreciated at 10% p.a.
- (4) Plant and machinery to be depreciated @ 5% and stock to be depreciated @ 10% p.a.
- (5) The new profit sharing ratio will be 2 : 1 : 1.

Prepare:

- (a) Revaluation Account.
- (b) Partner's Capital Accounts.
- (c) New Balance Sheet of the firm.

OR

Given below is the balance sheet of Vaishali, Madhuri and Shobha, who were sharing profits and losses in the ratio of 3 : 3 : 2.

Balance Sheet as on 31st Mar, 2012

Liabilities	Amount (RS)	Assets	Amount (RS)
Creditors	34,800	Cash	21,600
Bills Payable	8,800	Machinery	34,800
Capital A/c's:		Debtors	50,000
<i>Vaishali</i>	48,000	Stock	25,200
<i>Madhuri</i>	52,000	Furniture	16,000
<i>Shobha</i>	36,000	Buildings	48,000
Reserve Fund	16,000		
	1,95,600		1,95,600

On 1st Apr, 2012 Shobha retired from the firm on the following terms :

- (1) Assets be revalued as under: Stock RS 24,000, Machinery RS 32,000, Furniture RS 16,800.
- (2) R.D.D. be maintained at 4% on debtors.
- (3) An item of RS 400 from creditors is no longer a liability and hence should be properly adjusted.
- (4) The amount due to Shobha be transferred to her loan account.

Pass necessary Journal Entries in the books of the firm.

Q. 4. Ramesh sold goods to Ganesh on credit for RS 20,000. Ganesh accepted a bill of RS 20,000 for 3 months, drawn by Ramesh on the same date. **[10]**

On the due date Ganesh dishonoured his acceptance. Then Ganesh approached Ramesh and requested for renewal of the bill.

Ramesh agreed on the condition that Ganesh should pay RS 10,000 in cash and accept a new bill for 2 months for the balance amount plus interest RS 200.

The new bill was drawn by Ramesh and accepted by Ganesh.

However one month before the due date Ganesh retired his acceptance by paying RS 9,900. Pass necessary Journal Entries in the books of Ramesh.

Q.5. Mr. Aaba and Mr. Baba are equal partners whose Balance Sheet as on 31st Mar, 2012 was as under: [10]

Balance Sheet as on 31st Mar, 2012

Liabilities	Amount (RS)	Assets	Amount (RS)
Sundry Creditors	16,000	Cash in Hand	500
Capital A/c's:		Stock	4,500
<i>Aaba</i>	2,000	Debtors	4,000
<i>Baba</i>	2,000	Plant and Machinery	5,000
		Furniture	2,000
		Land and Building	4,000
	20,000		20,000

Due to weak financial position of the partners the firm is dissolved. Aaba and Baba are not able to contribute anything from their private estate, hence they are declared insolvent.

The assets are realised as follows:

Stock RS 3,000, Plant and Machinery RS 3,000, Furniture RS 1,000, Land and Building RS 2,000 and Debtors RS 1,000 only

Realisation expenses amounted to RS 500.

You are required to prepare necessary Ledger Accounts to close the books of the firm.

OR

Joshi–Patil Ltd. issued 2,000, 10% debentures of RS 20 on application and the balance on allotment.

Company received applications for 2,500 debentures, out of which applications for 2,000 were allotted fully and remaining applications were rejected and the money refunded.

Journalise the above transactions, assuming that all the sums were received.

Q. 6. Following is the Balance Sheet and Receipts and Payments Account of Sevagiri Hospital, Satara. [12]

Prepare Income and Expenditure account for the year ended on 31st Mar, 2013 and Balance Sheet as on that date:

Balance Sheet as on 1st Apr, 2012

Liabilities	Amount (RS)	Assets	Amount (RS)
Capital Fund	10,00,000	Cash in Hand	6,000
Outstanding Salaries	22,000	Cash at Bank	30,000
Medical Bill Unpaid	6,000	Land and Building	8,00,000
		Furniture	70,000
		Equipments	1,20,000
		Outstanding Subscription	2,000
	10,28,000		10,28,000

Receipts and Payments Account for the year ending 31.03.2013

Dr.			Cr.
Receipts	Amount (RS)	Payments	Amount (RS)
To Balance b/d		By Salaries (including of previous year)	1,10,000
<i>Cash in Hand</i>	6,000	By Medicines	48,000
<i>Cash at Bank</i>	30,000	By Equipment Purchased	20,000
To Subscription	1,30,000	By Taxes	3,000
(includes 2,000 received for previous year)		By General Expenses	8,600
To Sale of old Furniture (bookvalue ` 30,000)	20,000	By Balance c/d	
To Donations (revenue)	44,000	<i>Cash in Hand</i>	15,400
To Life Member-ship Fees	25,000	<i>Cash at Bank</i>	50,000
	2,55,000		2,55,000

Consider the following adjustments:

- (1) Outstanding subscription RS 15,000.
- (2) Capitalise the amount of life membership fees.
- (3) Pre-paid taxes RS 500.
- (4) Outstanding salary RS 12,000.
- (5) Write off depreciation RS 20,000 from land and building and RS 30,000 from equipments.
- (6) Outstanding medicine bill as on 01.04.2012 is still due.

Q.7. From the following Trial Balance of M/s Sanjay and Keshav, you are required to prepare Trading and Profit and Loss account, for the year ended 31st Mar, 2013 and Balance Sheet as on that date after taking into account the following additional information:

[15]

Trial Balance as on 31st Mar, 2013

Debit Balances	Amount (RS)	Credit Balances	Amount (RS)
Opening Stock	1,80,000	Sales	5,25,000
Bills Receivable	80,000	Rent	22,000
Purchases	2,40,000	Bills Payable	78,000
Bad Debts	20,000	Sundry Creditors	1,00,000
Salary and Wages	24,000	Capital Account's	
Discount	9,000	<i>Sanjay</i>	5,00,000
Carriage Inward	12,000	<i>Keshav</i>	3,00,000
Travelling Expenses	13,000		
Cash in Hand	38,000		
Furniture	2,80,000		
Insurance	12,000		
Land and Building	4,00,000		
Postage and Telegram	7,000		
Sundry Debtors	2,10,000		
Total:	15,25,000		15,25,000

Additional information:

- (1) Insurance paid in advance RS 3,000.
- (2) Depreciation provided on furniture at 10%.
- (3) Salary and wages outstanding RS 6,000.
- (4) Rent received in advance RS 5,000.
- (5) Closing stock as on 31.03.2013 Rs 2,00,000.