

Answer the following questions from 1 to 44 upto a maximum score of 80.

Answer for 40 scores from Part – A and 40 scores from Part – B.

PART – A
ACCOUNTANCY

(Maximum Scores : 40)

(4 × 1 = 4)

I. Questions from 1 to 4 carries 1 score each.

1. Not-for profit organization prepare :
 - (a) Trading account
 - (b) Profit and Loss account
 - (c) Income and Expenditure account
 - (d) Profit and Loss Appropriation account
2. The written agreement of a partnership is called
 - (a) Memorandum of Association
 - (b) Oral Agreement
 - (c) Mutual Agreement
 - (d) Partnership Deed
3. The ratio in which partners surrender their profit is known as
 - (a) Gaining ratio
 - (b) Sacrificing ratio
 - (c) Old ratio
 - (d) New ratio
4. The amount due to a deceased partner is transferred to
 - (a) his loan account
 - (b) his legal executors account
 - (c) his capital account
 - (d) None of these

II. Questions from 5 to 7 carries 2 scores each.

(3 × 2 = 6)

5. Give the name of two main sources of income of a not-for profit organisation.
6. Calculate interest on drawings of Mr. Anil, @ 10% per annum, if he withdraws ₹ 1,000 per month,
✓ (a) at the beginning of each month.
(b) at the end of each month.
7. Journalise the following transactions regarding realization expenses :
Realisation expenses amounting to ₹ 600 paid by Ashok, one of the partner.

III. Questions from 8 to 10 carries 3 scores each.

(3 × 3 = 9)

8. Write any three differences between Income and Expenditure account and Profit and Loss account.
9. Ajith and Devu are partners sharing profits and losses in the ratio of 5 : 3. They admit Hari for 1/5 share in future profit. Calculate new ratio and sacrificing ratio.
- ✓ 10. Complete the following table as per the hint is given below :
- (a) On increase in the value of assets.
Assets a/c Dr.
To Revaluation a/c.
- (b) On increase in the value of liability.
_____ a/c Dr.
To Liabilities.
- (c) On recording an unrecorded asset
Assets a/c Dr.
To _____.
- (d) On decrease in the value of asset.
Revaluation a/c Dr.
To asset.

IV. Questions from 11 to 15 carries 4 scores each.

11. The details of subscription are given below. Calculate the amount of subscription to be credited to Income and Expenditure a/c for the year ending 31-12-2020.

(a) Total subscription received during 2020	₹ 50,000
(b) Subscription outstanding on 2019	₹ 10,000
(c) Subscription outstanding on 2020	₹ 15,000
(d) Subscription received in advance on 2019,	₹ 8,000
(e) Subscription received in advance on 2020	₹ 5,000

12. Write any four differences between Fixed and Fluctuating Capital method.

13. The profits for the last 5 years of a firm were as follows :

Year	2001	2002	2003	2004	2005
Profit	1,20,000	1,50,000	1,70,000	1,90,000	2,00,000

Calculate goodwill of the firm on the basis of 3 years purchase of 5 years average profits.

14. Suku and Shyju were partners in a firm sharing profits in the ratio of 3 : 2. Their respective capitals were ₹ 1,00,000 and ₹ 70,000. Their partnership deed provided for the following :

- (1) Interest on capital @ 12% p.a.
- (2) Suku's salary ₹ 600 per month and Shyju's salary ₹ 6,000 per year.
- (3) The profit for the year ended 31-3-2017 was ₹ 3,00,000 before making the above adjustment.

Prepare Profit and Loss Appropriation a/c.

15. Pass necessary Journal Entries for the following at the time of dissolution of a firm :

- (i) Assets realised ₹ 50,000
- (ii) Liabilities settled ₹ 30,000
- (iii) Expenses of realisation ₹ 5,000
- (iv) Expenses of realisation ₹ 3,000 paid by a partner Sumesh.

V. Questions from 16 to 20 carries 5 scores each.

(5 × 5 = 25)

✓ 16. Match the following :

(A)	(B)
(1) Receipt and Payment Account	Revenue Receipts
(2) Income and Expenditure Account	Revenue Expenditure
(3) Specific Donation	Cash Book
(4) Subscription	Profit and Loss Account
(5) Honorarium	Capital Receipt

17. What you mean by Partnership Deed ? State any four contents of Partnership Deed.

18. Define Goodwill. State any four factors affecting the value of goodwill of a firm.

19. Suma and Shibina are partners in a firm sharing profit and losses in the ratio of 5 : 3. They admit Priya as a partner for $\frac{1}{5}$ share of profit. She is to bring ₹ 50,000 as capital and ₹ 8,000 as her share of goodwill. Give the necessary journal entries,

- (a) when the amount of goodwill is retained in the business.
- (b) when the amount of goodwill is fully withdrawn.

20. Prakash, Rajesh and Rahim are partners in a firm sharing profits and losses in the ratio of 3 : 2 : 1. On 31-03-2019 Rahim's Capital a/c shows a credit balance of ₹ 20,000. On the same date he died. Under the terms of the partnership deed the executors of the deceased partner were entitled to :

- Amount standing to the credit of partners Capital a/c.
- Interest on capital @ 5% p.a.
- Share of general reserve amounted to ₹ 4,500.
- Share of profit ₹ 5,000.

Calculate the amount due to Rahim's executors a/c.

VI. Questions from 21 to 22 carries 8 scores each.

(2 × 8 = 16)

21. From the following Receipt and Payment A/c and additional information, prepare Income and Expenditure a/c as on 31-3-2020.

Receipt and Payment A/c for the year ending 31-3-2020

Receipts	Amount	Payments	Amount
	₹		₹
Balance b/d cash	7,000	Honorarium	12,000
Subscription	48,000	Rent	11,000
Sale of old newspaper	2,000	Stationery	1,000
Entrance fees	5,000	Postage	500
Locker rent	3,000	Furniture	16,500
		Balance c/d cash	24,000
	65,000		65,000

Additional Information :

- Subscription outstanding on 31-03-2020 ₹ 4,000
- Rent outstanding on 31-3-2020 ₹ 2,000
- Half of the entrance fees should be capitalized.
- Stock of stationery on 31-3-2020 ₹ 500

22. The following is the Balance Sheet of Veena and Kavitha sharing Profits and Loss in the ratio of 2 : 1:

Balance Sheet as on 31-3-2020

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	20,000	Cash	10,000
Reserve Fund	30,000	Bank	14,000
Capital :		Debtors	60,000
Veena 50,000		Stock	6,000
Kavitha 40,000	90,000	Furniture	20,000
		Building	30,000
	1,40,000		1,40,000

They agreed to admit Rajesh into partnership on the following terms :

- Rajesh brings ₹ 20,000 as capital and ₹ 9,000 as goodwill for 1/4 share in profit.
- Building and furniture to be depreciated at 5%.
- Stock is reduced by ₹ 1,600.

Prepare Revaluation a/c and Partners capital a/c.

ANALYSIS OF FINANCIAL STATEMENTS

VII. Questions from 23 to 26 carries 1 score each.

(4 × 1 = 4)

23. ✓ Debenture holders are :
- (a) Owners of the company
 - (b) Creditors of the company
 - (c) Employees of the company
 - (d) Customers of the company.
24. ✓ In a company's Balance Sheet Bills payable is shown under the head
- (a) Current Liabilities
 - (b) Shareholders Fund
 - (c) Non-Current Liabilities
 - (d) Current Assets
25. ✓ The process of comparing various financial factors of a company over a period of time is known as
- (a) Inter firm comparison
 - (b) Ratio analysis
 - (c) Intra-firm comparison
 - (d) Intra-industry comparison
26. ✓ Quick ratio is also known as
- (a) Solvency ratio
 - (b) Acid test ratio
 - (c) Working Capital ratio
 - (d) Liquid ratio

VIII. Questions from 27 to 29 carries 2 scores each.

(3 × 2 = 6)

27. Write any two items that will appear under the head shareholders fund in a company's Balance Sheet, as per Schedule III.

28. A company issued 5,000 equity shares of ₹ 10 each with application money of ₹ 3. Application received for 6,000 shares. Excess application money were refunded. Give Journal Entry for refund of excess application money.

✓ 29. List any two objectives of Analysis of Financial Statements.

IX. Questions from 30 to 32 carries 3 scores each.

(3 × 3 = 9)

30. Galaxy Ltd. purchased machinery costing ₹ 1,00,000 from Fair Deals Ltd. The company paid the price, by issue of equity shares of ₹ 10 each at a premium of 25%. Pass necessary Journal Entries for above transactions in the books of Galaxy Ltd.

✓ 31. Fill the series with items taken from the bracket.

(Zero coupon bonds, Redeemable debentures, Convertible debenture)

(i) Debentures which are repayable on the expiry of a specified period _____.

(ii) Debentures which are convertible into equity shares _____.

(iii) Debentures do not carry specific rate of interest _____.

✓ 32. List any 3 objectives of Financial Statements.

X. Questions from 33 to 37 carries 4 scores each.

(5 × 4 = 20)

33. Write any four uses of share premium account.

34. Write short note about any two of the following :

- (i) Reserve Capital
- (ii) Preference Share
- (iii) Under Subscription

35. List the main tools of Financial Statement Analysis and explain about any one tool.

36. From the following information calculate inventory turnover ratio :

	₹
Revenue from operations	1,00,000
Cost of revenue from operation	80,000
Inventory at the beginning	40,000
Inventory at the end	30,000

37. Classify the following into cash from Operating Activities, Investing Activities, Financing Activities.

- (i) Cash payment to suppliers.
- (ii) Cash proceedings from issue of debentures.
- (iii) Cash proceedings from disposal of assets.
- (iv) Salaries paid to employees.

XI. Questions from 38 to 42 carries 5 scores each.

(5 × 5 = 25)

38. Match the followings :

(A)	(B)
A. Issue of shares above the face value	1. Forfeiture of shares
B. Issue of shares below the face value	2. Call
C. Cancellation of shares	3. Reserve Capital
D. Demand for payment	4. Issue of shares at premium
E. Uncalled capital	5. Issue of shares at discount

39. Explain briefly the different classification of Share Capital.

40. Following information related to Star Ltd. for the year 2019 and 2020. Prepare Comparative statement.

Particulars	2019	2020
Revenue from operations	1,60,000	2,00,000
Expenses	80,000	1,00,000
Other Income	20,000	10,000
Income tax	50%	50%

✓ 41. From the following information calculate :

(a) Current Ratio

(b) Quick Ratio

Total Current Assets ₹ 35,000

Total Current Liabilities ₹ 17,500

Inventories ₹ 10,000

42. Write any five features of a Joint Stock Company.

XII. Questions from 43 to 44 carries 8 scores each.

(2 × 8 = 16)

43. Resmi Mills Ltd. invited application for 20,000 equity shares of ₹ 10 each, payable as

₹ 4 per share on application

₹ 3 per share on allotment

₹ 2 per share on first call

₹ 1 per share on second and final call

Applications were received for 25,000 equity shares. Excess applications were totally rejected. Company made all the calls and the money due was collected.

Give Journal Entries in the books of the company.

44. Write the difference between Shares and Debentures.
