

# ScholarsZilla YouTube Channel

S. Y. J. C. Practice Preliminary Examination 2020 – 21

**Subject : B. K.**

**Date : 22 .03.2021**

**Marks : 80**

**Time : 3 hours**

**Q. 1] (A) Answer in one sentence** (5)

- 1) When is partner's current account opened ?
- 2) Who bears the Capital deficiency of an insolvent partner in case of Dissolution of Partnership firm?
- 3) What is oversubscription of shares?
- 4) When is gain ratio required to be calculated?
- 5) What is a draft?

**B. Complete the sentences** (5)

- 1) Not for profit organization is never engaged in \_\_\_\_\_ activities
- 2) Receipts and Payment account falls under the category of \_\_\_\_\_ account
- 3) A bill whose due date is calculated from the date of acceptance, is known as \_\_\_\_\_
- 4) If asset is taken over by partner, his capital account is \_\_\_\_\_
- 5) Income accrued but not received is \_\_\_\_\_ for the firm

**C. Find the odd one** (5)

- 1) School, Hospital, Bank, Club
- 2) Retaining, Noting, Discounting, Endorsing
- 3) Debtors, Capital, Creditors, Reserve Funds
- 4) Super Profit Method, Valuation Method, Average Profit Method, Fluctuating Capital Method
- 5) Revaluation A/c, Profit & Loss Suspense A/c, Deficiency A/c, Executor's Loan A/c

**D) Give one word / phrase for each of the following statement** (5)

- 1) An asset which can be converted into cash immediately.
- 2) The Statement showing profitability of two different periods.
- 3) The gift received from legal representatives as per the will of deceased person.
- 4) The account which shows changes in the value of assets.
- 5) Type of share on which dividend is not fixed.

**Q. 2] Following is the Balance Sheet of Vijay and Pradeep who share profits in the ration of 2:1 as on 31st March 2019** (10)

**Balance Sheet as on 31<sup>st</sup> March 2019**

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital A/cs			Land and Building		1,50,000
Vijay	1,80,000		Investment		2,16,000
Pradeep	97,200	2,77,200	Debtors		78,000
Investment					
Fluctuation Reserve		30,000	Goodwill		24,000
General Reserve		24,000	Profit and Loss A/c		24,000
			Advertisement		
Sundry Creditors		1,26,000	Suspense		24,000
Bills Payable		1,20,000	Cash		61,200
		5,77,200			5,77,200

On 01.04.2019 Kailash was admitted into partnership on the following terms:

1. Kailash pays Rs. 60,000 as his capital for 1/4<sup>th</sup> share
2. Kailash pays Rs. 30,000 for goodwill. Half of the sum is to be withdrawn by Vijay and Pradeep
3. R.D.D. is created @ 10%
4. The value of Land and Building is appreciated by Rs. 60,000
5. Investments were reduced by Rs. 45,000
6. Sundry Creditors are to be valued at Rs. 1,24,500
7. Capitals of Vijay and Pradeep to be adjusted taking Kailash's capitals as the base. Adjustment of Capitals is to be made through cash.

**Prepare Revaluation Account Partner's Capital Account and Balance Sheet of the New firm as on 1<sup>st</sup> April, 2019**

**OR**

**Q. 2] Suresh, Ramesh and Umesh are partners in a firm sharing profits and losses in the proportion of their capitals. Their Balance Sheet as on 31<sup>st</sup> March 2020 is as follows: (10)**

**Balance Sheet as on 31<sup>st</sup> March, 2020**

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital A/cs			Goodwill		50,000
Suresh	1,07,600		Machinery		1,80,000
Ramesh	1,07,600		Furnitures		68,000
Umesh	53,800	2,69,000	Stock in Trade		34,000
Sundry Creditors		45,000	Sundry Debtors	27,200	
General Reserve		60,000	Less R.D.D	3,200	24,000
Bank Overdraft		54,000	Cash at Bank		72,000
		4,28,000			4,28,000

On the above date, Suresh retired and the following adjustments have been agreed upon:

1. Half of the furniture was taken over by retiring partner Suresh for Rs. 25,000. Machinery was over valued by 25% and stock was undervalued by 20%. Remaining furniture was depreciated by 10%
2. Provision for bad debts is no longer necessary and hence should be written off
3. Goodwill was valued at Rs. 62000/-. Make a provision for unpaid expenses of Rs. 2700.
4. Suresh was paid Rs 40,000 at the time of retirement and balance was to be transferred to his loan account

**Prepare: Profit and Loss Adjustment Account, Partner Capital Accounts and Balance Sheet of the new firm.**

**Q. 3] Apeksha, Samiksha and Pratiksha were partners sharing profits and losses in their proportion of 2:2:1. Following is their Balance Sheet as on 31<sup>st</sup> March 2020 : (10)**

**Balance Sheet as on 31<sup>st</sup> March 2020**

Liabilities	Amt. (Rs)	Assets	Amt. (Rs)
<b>Capital A/c</b>		Patents	20,000
Apeksha	80,000	Plant & Machinery	86,000
Samiksha	80,000	Stock in Trade	48,000
Pratiksha	<u>40,000</u>	Sundry Debtors	33,200
General Reserves	38,000	Investments	40,000
Samiksha's Loan A/c	35,000	Motor Car	30,000
Sundry Creditors	27,200	Profit & Loss A/c	24,000
Bank Overdraft	35,000	Cash at Bank	54,000
	<b>3,35,200</b>		<b>3,35,200</b>

**On the above date, the partners decided to dissolve the firm. Assets were realized as:**

1. Plant and Machinery Rs.72000, Stock Rs.40000 and Goodwill Rs.25000. Patents realized nothing. Bad Debts and discount allowed to debtors Rs.3200.
2. Investments and Motor car were taken by Apeksha and Pratiksha were taken by at 90% of their book value respectively.
3. Dissolution expenses were Rs. 2200

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

**OR**

**Q3. Journalise the following transactions in the books of Samar (10)**

- a. Bank informed that Rajat's acceptance of Rs 32,000 which was discounted had been dishonoured, and Bank paid Noting charges Rs 300. Bill was renewed at the request of Rajat for two months with interest Rs 500.
- b. Received Rs 5,475 from private estate of Jai who was declared insolvent against bill accepted by him for Rs 8,000.
- c. Accepted a bill of Rs 18,000 at three months by Rishabh for an amount due to him Rs 25,000 and balance paid by cheque.
- d. Dishonoured our acceptance to Amit Rs 32,000 and Noting charges paid by Amit Rs 800.

**Q4. Siddhivinayak Ltd issued 50,000 equity shares of Rs 10 each payable as follows:**

On Application Rs 3, On allotment Rs 4, On first and final call Rs 3.

The Company received applications for 60,000 equity shares. Allotment of shares was made on pro rata basis. Excess application money adjusted to allotment. Share allotment and first call was made and amount was received, except Mr Sagar who was holding 800 shares failed to pay first call money. His shares were forfeited and reissued @ Rs 6 per share, fully paid share.

**Pass journal entries in the books of Siddhivinayak Ltd. (08)**

**OR**

**Q4. What are the features of Computerised Accounting system? (08)**

**Q. 5] Supriya, Surekha and Sujata were partners sharing Profits and Losses in the ratio 2:2:1 respectively. Their Balance Sheet as on 31<sup>st</sup> March, 2020 was as follows: (08)**

**Balance Sheet as on 31<sup>st</sup> March 2020**

Liabilities	Amt. (Rs)	Assets	Amt. (Rs)
<u>Capital</u>		Land & Buildings	50,000
Supriya	40,000	Stock	30,000
Surekha	40,000	Debtors	
Sujata	<u>20,000</u>	Less: R. D. D.	35,000
Reserve Fund	10,000	Furniture	10,000
Creditors	16,000	Cash at Bank	5,000
Outstanding Expenses	4,000		
	<b>1,30,000</b>		<b>1,30,000</b>

Sujata died on 1st July, 2020 and the adjustments were agreed to as per the deed as follows:

- 1) Land and Building to be valued at Rs. 60,000 and all Debtors were good.
- 2) Stock to be depreciated by 10%
- 3) The drawing of Sujata up to the date of her death amounted to Rs. 2000
- 4) Interest on capital was to be allowed at 10% p.a
- 5) The deceased partner's share of goodwill is to be valued at 2 year's purchase of average profit of last 3 years. The profits were: 2017-18 = Rs. 15,000; 2018-19 = Rs. 17,000 and 2019-20 = Rs. 13,000.
- 6) The deceased partner's share of profit up to the date of her death should be based on average profit of the last two years.

You are required to prepare:

- Profit and Loss Adjustment Account
- Sujata's Capital Account showing the balance payable to her Executor's Loan Account
- Working notes for calculation of (1) Goodwill and (2) Profit till the date of Sujata's death

OR

Q5. Given below is the Balance Sheet of Swastik Ltd.

(08)

Balance Sheet of Swastik Ltd. As on 31st March 2020.

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Share Capital	2,50,000	Fixed Assets	2,00,000
Debentures	2,00,000	Sundry Debtors	2,10,000
Reserves	50,000	Bank Balance	90,000
Bills Payable	50,000	Inventory	1,50,000
Sundry Creditors	1,00,000		
	6,50,000		6,50,000

**Additional Information:**

Net Sales Rs 2,00,000

Cost of Goods sold Rs 1,50,000

Operating Expenses Rs 20,000

**Calculate:**

- Gross Profit Ratio
- Net Profit Ratio
- Current Ratio
- Liquid Ratio
- Return on Investment

Q. 6] From the following Receipts and Payments Account of Star Sports Club, Mumbai and additional information given below you are required to prepare Income and Expenditure Account for the year ended 31st March 2019 and Balance Sheet as on that date. (12)

Receipts and Payments Account for the year ended 31st March 2019

Receipts	Amt.	Payments	Amt.
To balance b/d	5,000	By Bank Overdraft	32,000
To Life Membership Fees (Revenue)	17,000	By General Expenses	500
To <u>Subscriptions</u>		By Billiard Expenses	3,000
2016 – 17           2,000		By Repairs to Ground	500
2017 – 18           3,000		By Salaries	10,000
2018 – 19 <u>70,000</u>	75,000	By Electricity Charges	4,000
To Donations	15,000	By Municipal Taxes	2,700
To Entrance Fees	1,700	By Purchase of Sports	
To Tournament Receipts	60,000	Materials	50,000
		By Tournaments Exp.	50,000
		By Balance c/d	
		Cash in Hand	7,000
		Cash at Bank	14,000
	<b>1,73,700</b>		<b>1,73,700</b>

**Additional Information :**

- Following are the balances appeared in the books as on 1-4-2018.  
Capital Fund Rs. 1,12,500, Building Fund Rs 47,000, Bank Overdraft Rs 32,000, Land Rs 1,50,000 and Sports Materials Rs 30,000
- Outstanding Subscription for the year 2016 – 17 amounted to Rs 2,500 and 2017 - 18 Rs 4,000.
- 70 % of Entrance fees should be Capitalised and 50 % of Donations are for Building Fund
- Outstanding subscription for the current year amounted to Rs 8,000
- Closing Stock of Sports Materials amounted to Rs 8,000

**Q. 7] From the following Trial Balance of Mr. Swarup and Mr. Sarthak. You are required to prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019 and Balance Sheet as on the date: (12)**

**Trial Balance as on 31st March, 2019**

<b>Particulars</b>	<b>Debit Amt.</b>	<b>Particulars</b>	<b>Credit Amt.</b>
Stock (1/4/2018)	30,800	<b>Capital Account</b>	
Purchases	80,000	Mr. Swarup	80,000
Salaries	5,000	Mr. Sarthak	80,000
Wages	7,500	Sundry Creditors	20,500
Carriage	3,000	Interest Received on Fixed	
Royalties	2,500	Deposit	1,000
Freight	700	Bank Overdraft	10,000
Printing & Stationary	1050	Sales	1,20,000
Sundry Debtors	43,000		
Furniture	20200		
Leasehold property	25,000		
Investment	15,000		
Travelling Expenses	3,450		
Advertisement (For 3 years)	30,000		
Bad Debts	500		
Discount Allowed	1,800		
Cash in hand	7,000		
Cash at Bank	20,000		
Fixed Deposit	15,000		
	<b>3,11,500</b>		<b>3,11,500</b>

**Adjustments :**

- (1) Stock on hand on 31st March, 2019 was at Cost Price Rs. 40,000 and Market price Rs. 35,000.
- (2) Goods of Rs. 8000 destroyed by fire and Insurance company admitted a claim of Rs. 6000 only.
- (3) Provide R.D.D. @ 2.5% on Sundry Debtors.
- (4) Interest on Fixed Deposit Rs. 1200 is still receivable.
- (5) Depreciate Furniture by 5%.

**\*\*\*\*\* All the Best \*\*\*\*\***