

2020
ACCOUNTANCY (NEW COURSE)

Full marks : 70

Time : 3 hours

General instructions:

i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*

ii) *The question paper consists of 17 questions. All questions are compulsory.*

iii) *Marks are indicated against each question.*

iv) *Internal choice has been provided in some questions.*

N.B: *Check that all pages of the question paper is complete as indicated on the top left side.*

1. What is meant by membership subscription? 1
2. Give two examples of not for profit organization. 1
3. What is meant by partnership? 1
4. State the nature of partnership. 1
5. Who is called an executor? 1
6. What is meant by dissolution of partnership firm? 1
7. Name any two methods of redemption of debentures. 1
8. X, Y and Z are partners, their fixed capitals as on 31st March, 2018 were:
X ` 50,000, Y ` 1,00,000 and Z ` 1,50,000. Profits for the year 2017-2018 amounting to ` 60,000 were distributed. Interest on capital were credited @10% per annum instead of 12% per annum. Pass the necessary adjusting entries. 3
9. Distinguish between revaluation account and realization account on three basis. 3
10. XYZ Limited had an authorized capital of ` 2,00,000 divided into equity shares of ` 10 each. The company offered for subscriptions ` 1,00,000 shares. The issue was fully subscribed. The amount payable on application was ` 2 per share, ` 4 per share was payable on allotment and ` 4 per share for first and final call. A share holder holding 100 shares failed to pay the allotment, his shares were forfeited. The company did not make the final call. Show how the 'share

capital' will be shown in the company's balance sheet, also prepare the notes to accounts for the same. 3

11. Explain any three distinctions between shares and debentures. 3
12. Y Limited issued 10,000, 12% Debentures of ₹ 100 each at par, redeemable at 6% premium after 5 years, payable as ₹ 60 on application and the balance on allotment. The debentures were fully subscribed and all money was duly received. Journalise these transactions. 3
13. a. From the following items of Receipt and Payment Account of Young Ladies Club, prepare an Income and Expenditure Account for the year ended 31st March, 2018.

Salaries paid	50,000
Lighting & Heating	5,000
Printing & Stationery(including ₹ 500 for the previous year)	3,500
Subscription received (including ₹ 2,000 received in advance and ₹ 5,000 for the previous year)	40,000
Net proceeds of refreshment room	45,000
Miscellaneous expenses	16,000
Interest paid on loan for half year	1,200
Rent & Rates (including ₹ 1,000 prepaid)	7,500
Locker rent received	4,500

Additional information: Subscription in arrears on 31st March, 2018 were ₹ 8,000 and half year's interest on loan was also outstanding.

Or

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- b. From the following Receipt and Payment Account of Sonic Club and from the given additional information, prepare Income and Expenditure Account for the year ending 31st December, 2018 and the Balance Sheet as on that date:

**Receipt & Payment Account of Sonic Club
for the year ending 31st December, 2018**

Dr.	₹	Cr.	₹
Receipt		Payment	
To Balance(b/f)	1,90,000	By Salaries	3,30,000
To Subscriptions	6,60,000	By Sport equipments	4,00,000
To Interest on investment @ 8% p.a for full year } }	40,000	By Balance c/f	1,60,000
	8,90,000		8,90,000

Additional Information:

- a) The club had received ₹ 20,000 for subscription in 2017 for 2018.
- b) Salaries had been paid only for 11 months.
- c) Sports equipment on 31st December, 2017 was ₹ 3,00,000 and on 31st December, 2018 was ₹ 6,50,000.

14. Answer **any two** from the following:

2x6=12

- a. Explain any six advantages of financial analysis.
- b. From the following information, prepare a Comparative Balance Sheet.

Balance Sheets as at 31st March, 2017 & 2018

Particulars	31 st March 2017	31 st March 2018
1. Equity & Liabilities:		
i) Shareholders' fund		
- Share capital	15,00,000	20,00,000
- Reserve & surplus	3,00,000	2,00,000
ii) Non-Current Liabilities		
- Long term borrowings	9,00,000	13,50,000
iii) Current Liabilities		
- Short term borrowings	3,00,000	4,50,000
Total	30,00,000	40,00,000
2. Assets:		
i) Non Current Assets		
- Fixed Assets		
a) Tangible assets	15,00,000	20,00,000
b) Intangible assets	6,00,000	9,00,000
ii) Current Assets		
a) Inventories	3,00,000	5,00,000
b) Trade receivables	1,50,000	2,00,000
c) Cash & cash equivalents	4,50,000	4,00,000
Total	30,00,000	40,00,000

- c. From the following information, calculate proprietary ratio; debt equity ratio and total assets to debt ratio.

a) Non current assets ₹ 9,60,000	b) Current assets ₹ 9,60,000
c) Long term borrowings ₹ 6,00,000	d) Long term provisions ₹ 3,60,000

e) Current liabilities ₹ 4,80,000.

15. a. The balance sheet of X and Y sharing profits & losses in the ratio of 4:3 is given below:

BALANCE SHEET of X and Y

Liabilities	₹	Assets	₹
Sundry Creditors	20,000	Cash	14,800
Bank Overdraft	17,000	Debtors	20,500
Employees' Provident fund	3,000	Less: Provision	<u>300</u>
Works Men Compensation Reserve	7,000	Stock	6,000
X Capital Account	66,000	Investment	14,000
Y Capital Account	57,000	Plant	40,000
		Building	75,000
	1,70,000		1,70,000

They agreed to admit Z with $\frac{1}{4}$ th share in profit on the following terms:

- i) Z will bring in proportionate capital.
- ii) Building is to be appreciated by ₹ 13,000 and plant to be depreciated to ₹ 33,000.
- iii) The provision on debtors is to be raised to ₹ 1,000.
- iv) The goodwill of the firm has been valued at ₹ 21,000 but no goodwill is to appear in the books.
- v) Half of investment are to be taken over by X and Y in their profit sharing ratio and the remaining valued at ₹ 8,000.

Prepare the Revaluation A/C, Partners' Capital A/C and the Balance Sheet of the new firm.

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- b. L, M and N are in partnership sharing profits in the ratio of 5:3:2. Their balance sheet on M's retirement was as follows:

Balance Sheet of L, M and N as on 31st March, 2017

Liabilities	₹	Assets	₹
L's Capital	30,000	Building	25,000
M's Capital	20,000	Plant & Machinery	15,000
N's Capital	20,000	Investment	25,000
General Reserve	10,000	Debtors	10,000
Sundry Creditors	7,000	Stock	5,000
Bills Payable	3,000	Cash	10,000
	90,000		90,000

The terms of retirement were:

- i) M sells his share of goodwill to L for ₹ 3,000 and to N for ₹ 4,000.
- ii) Stock to be appreciated by 20% and building by ₹ 5,000.
- iii) Investment was sold for ₹ 27,000.
- iv) M is paid off in cash.

Prepare Revaluation Account, Capital Accounts and Balance Sheet

of the new firm.

16. a. From the following information, prepare a Cash Flow Statement:

Balance Sheets as at

Particulars	31.3.2018	31.3.2017
I. Equity & Liabilities		
i) Shareholders funds		
- Share capital	10,00,000	7,00,000
- Reserve & surplus (Profit & Loss A/C)	2,50,000	1,50,000
ii) Non current liabilities	—	—
iii) Current Liabilities		
- Short term provisions (proposed dividend)	50,000	40,000
Total	13,00,000	8,90,000
II. Assets		
i) Non Current Assets		
-Tangible fixed Assets	8,00,000	5,00,000
ii) Current Assets		
-Inventories	1,00,000	75,000
-Cash & cash equivalents	4,00,000	3,15,000
Total	13,00,000	8,90,000

Additional information: During the year ` 50,000 depreciation has been charged to fixed assets; A piece of fixed assets costing ` 12,000 (book value ` 5,000) was sold at 60% profit on book value.

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- b. From the following information, prepare a cash flow statement.

BALANCE SHEETS
as at 31st December, 2018 and 2017

Particulars	2018	2017
I. Equity & Liabilities		
i) Shareholders' funds		
- Share capital	20,00,000	15,00,000
Reserve and Surplus (Profit & Loss A/C)	4,00,000	2,00,000
ii) Non-Current Liabilities	-	-
iii) Current Liabilities		
- Other current liabilities	4,00,000	3,00,000
- Short term provisions (proposed dividend)	2,00,000	1,00,000
Total	30,00,000	21,00,000
II. Assets		
i) Non Current Assets		
-Tangible fixed assets	18,00,000	12,00,000
-Intangible assets(goodwill)	-	1,00,000
ii) Current Assets (Inventories & Trade Receivables)	12,00,000	8,00,000
Total	30,00,000	21,00,000

Additional information :

- i) During the year ₹ 80,000 depreciation was charged on fixed assets.
- ii) A piece of machinery included in fixed assets costing ₹ 20,000 on which depreciation charged was ₹ 8,000 was sold for ₹ 10,000.

17. a. Bharat Tushan Limited offered 20,000 shares of ₹ 10 each at a premium of 10% payable as follows:
- | | |
|------------------------|--|
| On application | ₹ 2 (1 st January) |
| On allotment | ₹ 4 (including premium, 1 st April) |
| On first call | ₹ 3 (1 st June) |
| On second & final call | ₹ 2 (1 st August) |

Application were received for 18,000 shares and the directors made allotment. One shareholder to whom 400 shares were allotted paid the

entire balance on his share holdings with allotment money and another shareholder did not pay allotment money and first call money on his 600 shares but which he paid with final call.

Calculate the amount of interest paid and received on calls -in-advance and calls- in- arrears respectively on 1st August. Also pass journal entries to record the above transactions assuming that calls-in-arrears account is maintained.

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- b.** BT Limited issued a prospectus inviting applications for 20,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows: On application ₹ 2, on allotment (including premium) ₹ 5, on first call ₹ 3 and on second and final call ₹ 2.

Applications were received for 30,000 shares and pro-rata allotment was made on the application for 24,000 shares. It was decided to utilize excess application money towards the amount due on allotment. Ramesh to whom 400 shares were allotted failed to pay the allotment money and Mohan, the holder of 600 shares failed to pay the two calls.

Pass the necessary journal entries.
