

Session 2021-22 MainTerm-2 Zone-4, Set-1



Part- A (Accounting for Not for Profit organizations, Partnership firms and Companies)

- 1) Distinguish between Income and Expenditure Account and Receipts and Payments Account on the basis of the following
 - (a) Depreciation
 - (b) Opening Balance

2 Marks

2) P, Q and R were partners in a firm sharing profits and losses in the ratio of 3 : 4 : 1. On 31st March, 2022, R retired. R surrendered 1/3rd of his share in favour of P and the remaining share in favour of Q. Calculate the new profit sharing ratio of P and Q.

2 Marks

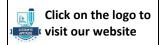
3) A, B and C were partners in a firm sharing profits and losses in the ratio of 7: 2: 1. The firm closes its books on 31st March every year. On 30th June, 2022, A died. A's share of profit in the year of his death was be calculated on the basis of the profit of the previous year. The profit of the firm for the year ended 31st March, 2022 was ₹16,00,000. Calculate A's share of profit in the year of his death.

2 Marks

4) (a) Young Cricket Club received ₹48,000 as subscriptions during the year ended 31st March, 2022. Out of these subscriptions received, ₹8,000 belonged to the year 2020 21 and ₹6,000 belonged to the year 2022 23. On 31st March, 2022 subscriptions of ₹12,000 were still outstanding. During the previous year subscriptions of ₹16,000 were received in advance. Prepare Subscriptions Account showing the amount of subscriptions to be credited to Income and Expenditure Account for the year ended 31st March, 2022.

3 Marks

OR



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(b) During the year ended 31st March, 2022 Alfa Club paid ₹37,000 to creditors for purchase of stationery. From the following additional information regarding stationery, calculate the amount of stationery to be debited to the Income and Expenditure Account for the year ended 31st March, 2022.

Additional Information:

Details	April 1, 2021 ₹	March 31, 2022 ₹
Stock of Stationery	7,000	11,000
Creditors for Stationery	9,000	6,000

3 Marks

5) Mohan, Girdhari and Shyam were partners in a firm sharing profits and losses in the ratio of 4:3:2. On 31st March, 2022, Girdhari retired. After making all adjustments on account of reserves, revaluation of assets and reassessment of liabilities, the balance in Girdhari's Capital Account stood at ₹5,00,000. Mohan and Shyam agreed to pay Girdhari ₹5,90,000 in full settlement of his claim.

Calculate the value of goodwill of the firm and pass the necessary journal raising goodwill account.

3 Marks

6) (a) X Ltd. invited applications for issuing 15,000 8% Debentures of ₹100 each. The amount was payable as follows:

On Application......₹ 20 per Debenture

On Allotment..... Balance

Applications for 30,000 Debentures were received. Applications for 5,000 Debentures were rejected and the application money was refunded to the applicants. Prorata allotment was made to the remaining applicants. Excess money received with applications was adjusted towards sums due on allotment. The remaining allotment money was duly received.

Pass necessary journal entries for the above transactions in the books of X Ltd.

3 Marks

OR



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- (b) Pass necessary journal entries for the issue of Debentures in the following cases:
- (i) Y Ltd. issued ₹5,00,000, 9% Debentures of ₹100 each at par redeemable at a premium of 10% after three year
- (ii) Z Ltd. issued 4500, 9% Debentures of ₹100 each at a discount of 10% redeemable at a premium of 5% after three years

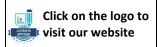
3 Marks

7) From the following Receipts and Payments Account of Adarsh Club for the year ended 31st March, 2022, prepare an Income and Expenditure Account for the year ended 31st March, 2022:

Receipts and Payments Account of Adarsh Club for the year ended 31st March, 2022

Receipts	Amount (₹)	Payments	Amount (₹)
Balance b/d		Salaries	49,000
Cash 20,000		Printing & Stationery	32,000
Bank 67,500	87,500	Secretary's Honorarium	
	VECAL	INITE	25,000
Subscriptions		6% Fixed Deposit on	
2		1.1.2022	2,70,000
2020-21 15,000	3	Balance c/d	
2021-22 2,00,000		Cash 26,500	
2022-23 30,000	2,45,000	Bank 50,000	76,500
Sale of old furniture			
(Book value ₹ 10,000)	8,500	*	
Sale of old newspapers	2,500		
Hire of ground	47,500	181	
Locker Rent	11,500		
Donations for Sports			
Fund	50,000		
Total	4,52,500	Total	4,52,500

The club has 1,500 members each paying an annual subscription of ₹150.



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8) (a) X, Y and Z were partners in a firm sharing profits and losses in the ratio of 3:3:4. On 31st March, 2022 their Balance Sheet was as follows:

Balance Sheet of X, Y and Z as at 31st March, 2022

Liabilities	Amount	Assets	Amount
	(₹)		(₹)
Sundry Creditors	34,000	Bank	1,74,000
Bills Payable	29,000	Sundry Debtors	2,00,000
General Reserve	2,00,000	Bills Receivable	26,000
Capitals:		Stock	1,50,000
X 3,00,000		Furniture	1,28,000
Y 3,00,000		Machinery	2,00,000
Z 4,00,000	10,00,000	Land and Building	3,85,000
Total	12,63,000	Total	12,63,000

On the above date, Z retired on the following terms:

- (i) A provision of 3% on debtors will be created for bad and doubtful debts.
- (ii) Stock will be reduced by ₹5,000 and furniture by ₹2,000.
- (iii) Land and building will be brought up to ₹4,00,000 and machinery will be brought down to ₹1,80,000.

Prepare Revaluation Account and Z s Capital Account, transferring the amount due to his loan account.

5 Marks

<u>OR</u>



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(b) Sonu, Monu and Ashu were partners in a firm sharing profits and losses in the ratio of 5:3:2. On 31st March, 2022 their Balance Sheet was as follows:

Balance Sheet of Sonu, Monu and Ashu as at 31st March, 2022

Liabilities	Amount	Assets	Amount
	(₹)		(₹)
Creditors	35,000	Bank	22,000
General Reserve	25,000	Stock	25,000
		Debtors 20,000	
Capitals:		Less: Provision	
		for bad debts 2,000	18,000
Sonu 50,000			
Monu 30,000		Furniture	15,000
Ashu 20,000	1,00,000	Land and Building	80,000
Tot	al 1,60,000	Total	1,60,000

On the above date, the firm was dissolved on the following terms:

- (i) Land and Building realised for ₹85,000, Furniture realised for ₹6,000 and Debtors realised full amount.
- (ii) Stock was taken over by Sonu at book value. There was an unrecorded asset which was taken over by Ashu for ₹3,000.
- (iii) Monu agreed to bear all realisation expenses. For his services Monu was paid ₹2,000. Actual expenses on realisation amounted to ₹2,200.
- (iv) Creditors were paid at 2% less.

Prepare Realisation Account.

5 Marks

9) B Ltd. purchased Building worth ₹3,00,000, Plant worth ₹2,80,000 and Furniture worth ₹20,000 from C Ltd. for a purchase consideration of ₹6,30,000. B Ltd. paid the purchase consideration by issuing 9% debentures of ₹100 each.

Pass necessary journal entries in the books of B Ltd. for the acquisition of assets and issue of debentures when:

- (a) Debentures were issued at par.
- (b) Debentures were issued at a premium of 25%.
- (c) Debentures were issued at a discount of 10%.

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PART B

OPTION 1 (Analysis of Financial Statements)

10) What is meant by Cash Flow Statement?

2 Marks

11) (a) Prepare a Common Size Balance Sheet from the following Balance Sheet of Shree Ltd. as at 31st March, 2022:

Balance Sheet of Shree Ltd. as at 31st March, 2022

Particulars	Note	31.03.2022	31.03.2021
	No.	₹	₹
I Equity and Liabilities:			
1. Shareholders' Funds			
Share Capital		40,00,000	30,00,000
2. Non-Current Liabilities			
Long-term Borrowings		20,00,000	15,00,000
3. Current Liabilities			
Trade Payables		20,00,000	5,00,000
Total		80,00,000	50,00,000
II Assets:			
1. Non-Current Assets			
Fixed Assets			
(a) Tangible Assets		20,00,000	15,00,000
(b) Intangible Assets		40,00,000	10,00,000
2. Current Assets			
Inventories		20,00,000	25,00,000
Total		80,00,000	50,00,000

3 Marks

OR



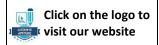
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(b) From the following Balance Sheet of Jeevan Ltd. as at 31st March, 2022, prepare a Comparative Balance Sheet:

Balance Sheet of Jeevan Ltd. as at 31st March, 2022

Particulars	Note	31.03.2022	31.03.2021
	No.	₹	₹
I Equity and Liabilities:			
1. Shareholders' Funds			
Share Capital		16,00,000	10,00,000
2. Non-Current Liabilities			
Long-term Borrowings		6,00,000	5,00,000
3. Current Liabilities			
Trade Payables		12,00,000	10,00,000
Total		33,00,000	25,00,000
II Assets:			
1. Non-Current Assets			
Fixed Assets			
(a) Tangible Assets		18,00,000	12,00,000
(b) Intangible		10,00,000	8,00,000
Assets			
2. Current Assets			
Cash and Cash		5,00,000	5,00,000
Equivalents			
Total		33,00,000	25,00,000



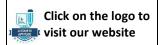
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12) From the following Balance Sheet of Anuradha Ltd. as at 31st March, 2022, calculate Cash from Operating Activities:

Balance Sheet of Anuradha Ltd. as at 31st March, 2022

Particulars	Note No.	31.03.2021	31.03.2020
I Equity and Liabilities:	110.	`	
1. Shareholders' Funds			
(a) Share Capital	1	3,00,000	2,50,000
(b) Reserves and Surplus	2	1,50,000	1,00,000
2. Non-Current Liabilities			
Long-term Borrowings	3	75,000	25,000
3. Current Liabilities		,	,
(a) Trade Payables		25,000	50,000
(b) Other Current	4	50,000	75,000
Liabilities			·
Total		6,00,000	5,00,000
II Assets:			
II Assets.			
1. Non-Current Assets			
1. Non-Current Assets	5	4,50,000	2,74,000
1. Non-Current Assets (a) Fixed Assets	5 6	4,50,000 24,000	2,74,000 26,000
Non-Current Assets (a) Fixed Assets (i) Tangible Assets		· ·	
1. Non-Current Assets (a) Fixed Assets (i) Tangible Assets (ii) Intangible Assets		· ·	
1. Non-Current Assets (a) Fixed Assets (i) Tangible Assets (ii) Intangible Assets 2. Current Assets		24,000	26,000
1. Non-Current Assets (a) Fixed Assets (i) Tangible Assets (ii) Intangible Assets 2. Current Assets (a) Inventories		24,000 76,000	26,000 1,00,000
1. Non-Current Assets (a) Fixed Assets (i) Tangible Assets (ii) Intangible Assets 2. Current Assets (a) Inventories (b) Trade Receivables		24,000 76,000 20,000	26,000 1,00,000 10,000



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Notes to Accounts:

Note	Particulars	31.03.2022	31.03.2021
No.		₹	₹
1	Share Capital		
	Equity Share Capital	3,00,000	2,50,000
2	Reserves and Surplus		
	Surplus (Balance in the		
	Statement of Profit and Loss)	1,50,000	1,00,000
3	Long-term Borrowings		
	12% Debentures	75,000	25,000
4	Other Current Liabilities		
	Outstanding Rent	50,000	75,000
5	Tangible Assets		
	(a) Land and Buildings	4,00,000	2,00,000
	(b) Furniture	50,000	74,000
-		4,50,000	2,74,000
6	Intangible Assets		
	Patents	4,00,000	3,00,000

Additional Information:

- (i) ₹50,000, 12% Debentures were issued on 31st March, 2022.
- (ii) During the year ₹24,000 was charged as depreciation on furniture.

APTITUDE