

BOOK-KEEPING & ACCOUNTANCY

Time : 3 Hrs.

July - 2016

Marks : 80

1. Attempt any THREE of the following sub-questions:

(A) Answer the following questions in 'one' sentence each:

- (1) What is Trial Balance?
- (2) What shows credit balance of revaluation account?
- (3) What are 'convertible debentures'?
- (4) Who is 'Payee'?
- (5) What is 'single entry system'?

(5)

(B) Write a word/term/phrase which can substitute each of the following statements: (5)

- (1) The accounts which are prepared at the end of each financial year.
- (2) The fees paid by a person who wants to become a life member of the concern, for his whole life.
- (3) The acknowledgement of debt under common seal of company.
- (4) Payment of the bill before its due date.
- (5) Critical evaluation of financial statement to measure profitability.

(C) Select the most appropriate alternative from those given below and rewrite the statements: (5)

- (1) All indirect expenses are debited to account.
(a) Trading (b) Capital (c) Profit and Loss (d) Current
- (2) Share of profit of a deceased partner till the date of death is
(a) debited to profit and loss adjustment account.
(b) credited to profit and loss adjustment account.
(c) debited to profit and loss suspense account.
(d) credited to profit and loss suspense account.
- (3) If any asset is taken over by a partner from the firm, his capital account will be
(a) credited (b) debited (c) added (d) none of these
- (4) There are parties to the Bill of Exchange.
(a) two (b) three (c) four (d) five
- (5) Further capital introduced during the year is from closing capital in order to find out the correct profit.
(a) added (b) deducted (c) divided (d) ignored

(D) State whether the following statements are True or False: (5)

- (1) All receipts are the items of revenue income.
- (2) At the time of dissolution, loan from partner will be transferred to realisation account.
- (3) A Bill of Exchange is a negotiable instrument.
- (4) Acceptance without making any change in the terms of bill is called general acceptance.
- (5) Ratio analysis is useful for inter-firm comparison.

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

Shri Arjun Patil, 104, Shivaji Nagar, Ambajogai draws a two months bill on Shri Tukaram Magdum, Daulat Road, Halkarni, Kolhapur payable to Shri Ranveer Patil, Mondha, Parali Vajjanath on 23rd August 2013 for ₹ 7,550.

Shri Tukaram Magdum accepted it on 26th August, 2013 for ₹ 7,500 only.

Q.2. Mrs. Shailaja keeps her books under single entry system and gives the following information: (8)

Particulars	01.04.2012 Amount (₹)	31.03.2013 Amount (₹)
Investments	----	12,000
Bank overdraft	----	10,000
Bills payable	5,000	8,000

Creditors	26,500	31,500
Furniture	9,000	19,000
Debtors	35,000	50,000
Stock	15,000	19,000
Bank balance	18,000	28,000

Additional information:

- (1) Mrs. Shailaja withdrew ₹ 4,000 for her personal use. She received ₹ 15,000 from her father as gift, which she brought into the business.
- (2) Additional furniture was purchased on 01.10.2012. Depreciate furniture by 10% p.a.
- (3) Write off ₹ 1,000 as bad debt and provide 5% R.D.D. on debtors.

Prepare: (1) Opening and closing statements of affairs and

- (2) Statement of profit or loss for the year ended 31.03.2013.

OR

(A) Explain the limitations of analysis of financial statements.

(B) Explain the operating activities on cash flow.

3. Following is the Balance Sheet of Harish and Girish.

(10)

Balance Sheet as on 31st March, 2013

Liabilities	Amount (₹)	Assets	Amount	Amount
			(₹)	(₹)
Creditors	38,000	Cash in hand		37,000
Bills payable	46,000	Stock		21,000
Profit and loss account	16,000	Debtors	46,000	
Capital Accounts		Less: R.D.D.	6,000	40,000
Harish	1,00,000	Equipments		12,000
Girish	1,40,000	Furniture		25,000
		Plant		85,000
		Building		1,20,000
	3,40,000			3,40,000

They admitted Shirish on 1st April, 2013 on following conditions:

- (1) For his $\frac{1}{3}$ share in future profit Shirish brings ₹ 2,00,000 as his capital.
- (2) It is decided to raise goodwill by ₹ 90,000 and write it off fully after Shirish's admission.
- (3) Equipments and plant to be depreciated by 20% and 10% respectively and building to be appreciated by 15%.
- (4) Bills payable were retired for ₹ 35,000.
- (5) All debtors are considered good.
- (6) Furniture of the book value ₹ 12,000 was taken over by Harish at 40% of the book value.

Prepare : (1) Revaluation account (2) Partners' capital account (3) Balance Sheet of new firm.

OR

- (2) Neglect depreciation on the part of furniture sold during the year, but depreciate the remaining furniture by ₹ 1,000.
- (3) Donation is received for building fund.

Q.7. Dhiraj and Suraj are partners sharing profits and losses in the ratio of 2:1. From the following Trial Balance and adjustments, prepare Trading and Profit and Loss account for the year ended 31st March, 2013 and balance sheet as on that date: (15)

Trial Balance as on 31.03.2013

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	32,000	Sales	1,93,500
Purchases	64,000	Sundry Creditors	16,500
Plant and Machinery	30,000	Return Outward	2,500
Furniture	18,500	Capital Account	
Carriage	1,500	Dhiraj	90,000
Wages	30,000	Suraj	50,000
Bills Receivable	5,000		
Sundry Debtors	32,000		
Conveyance	4,000		
Salaries	10,500		
Cash in hand	14,750		
Land and Building	83,500		
Bad debts	1,750		
Patents	25,000		
	3,52,500		3,52,500

Adjustments:

- (1) Closing stock: Cost price ₹ 25,000 and market price ₹ 30,000.
- (2) An amount of ₹ 3,500 spent for repairs to building is debited to building account.
- (3) Depreciate plant and machinery and building at 5% p.a.
- (4) Included in wages in advance given to workers ₹ 3,000.
- (5) Provide ₹ 1,500 for bad and doubtful debts on debtors.

