



**Part B**  
**Answer ALL questions**

**5 x 6 = 30**

**Each answer should not exceed 400 words or two pages**

- 11.a. How do you incorporate the following in the Tanjore turf club Balance sheet for the year 31/3/2019? CO1 K2

|                                    | <b>Rs.</b> |
|------------------------------------|------------|
| Medal distribution fund            | 98,400     |
| Interest on the fund investment    | 28,900     |
| Medal distributed                  | 28,700     |
| Medal distribution fund investment | 98,000     |

(or)

- 11.b. Distinguish between Receipts and payments account and Income and Expenditure account. CO1 K3

- 12.a. Mr. B had the following transaction with A during the year 2019. CO2 K2

|         |                        | <b>Rs.</b> |
|---------|------------------------|------------|
| July 1  | Balance due from A     | 600        |
| July 15 | Sold goods to A        | 1900       |
| Aug.10  | Received cash from A   | 1100       |
| Aug. 19 | Purchased goods from A | 700        |
| Sept. 3 | Returned goods to A    | 300        |
| Sept.16 | Received cash from A   | 500        |

Prepare an Account Current to be rendered by B to A as on 30<sup>th</sup> September 2019 calculating interest at 10% p.a.

(or)

- 12.b. Rs. 15,000 lent by Shiv Raj to Jain & Co on 1<sup>st</sup> January 2015 is repayable in Equal annual instalments commencing from 1<sup>st</sup> January 2017. Calculate Average due date. CO2 K3

- 13.a. X and Y are partners in a firm sharing profits and losses equally. On 1<sup>st</sup> January 2019, their capital were Rs. 20,000 and Rs.10,000 respectively. Interest on capital is to be allowed at 5% p.a. from profit prior to division thereof. The net profit for the year ending 31<sup>st</sup> December 2019, before allowing interest on capital amounted to Rs. 9,500. Give the journal entries and prepare profit & Loss Appropriation account as on 31<sup>st</sup> December, 2019, showing the division of profit between X and Y. CO3 K4

(or)

- 13.b. A and B are partners sharing profits in the ratio of 1:1. A draw Rs. 300 Regularly at the beginning of every month during the year 2015. B draws Rs.1,000 on 1.4.2015, Rs. 600 on 1.7.2015, Rs. 800 on 1.10.2015 and Rs. 400 on 1.12.2015. calculate interest on their drawings at 6% p.a. CO3 K2

- 14.a. A and B were partners sharing profits and losses in the ratio of 3:2. They admitted C as a partner. A contributed  $\frac{3}{4}$  of his share and B contributed  $\frac{1}{4}$  of his share to C. Find out the sacrifice ratio of the old partners and also new profit sharing ratio of all the partners. CO4 K4

(or)

- 14.b. Calculate the amount of goodwill in the following case: Three year's purchase of the last four years' average profit is agreed as the goodwill value. The profits and losses for the last four years are: CO4 K2

|          | <b>Rs.</b>   |         | <b>Rs.</b> |
|----------|--------------|---------|------------|
| I Year   | 5,000        | II Year | 8,000      |
| III Year | 3,000 (Loss) | IV Year | 6,000      |

- 15.a. What is Garner Vs Murray rule? CO5 K4

(or)

- 15.b. What are the different modes of dissolution of a partnership firm? CO5 K3

**Part C**

5 x 12 = 60

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

16.a. From the following particulars, which relate to a Musical Society prepare an Income and Expenditure Account and a Balance sheet as at 31<sup>st</sup> March, 2019. CO1 K4

**BALANCE SHEET  
As on 31<sup>st</sup> March, 2016**

| Expenditure      | Rs.    | Income                   | Rs.    |
|------------------|--------|--------------------------|--------|
| Outstanding Rent | 425    | Cash in Hand             | 3,000  |
| Capital Fund     | 15,575 | Govt. Securities         | 10,000 |
|                  |        | Accrued Interest         | 125    |
|                  |        | Outstanding subscription | 400    |
|                  |        | Library Books            | 1,000  |
|                  |        | Furniture and Fitting    | 1,475  |
|                  | 16,000 |                          | 16,000 |

The transactions for the year were:

**Receipts:** Subscription Rs. 2,500; Proceeds received from Entertainment and Lectures Rs. 1,000; Interest on securities Rs. 475; Entrance fees received Rs. 500; Sales proceeds of old chairs Rs. 75 (Book Value Rs. 100)

**Payments:** Rent Rs. 600; Printing Rs. 150; Advertising Rs. 200; Sundries Rs. 55; Govt. Securities Rs. 2,500; Furniture Rs. 400; Library books Rs. 300; Cost of entertainment Rs. 750.

The following were outstanding as on 31<sup>st</sup> March 2019; Printing Rs. 75; Rent Rs. 100; Interest on securities Rs. 150 and subscription Rs. 325.

(or)

16.b. From the following Trial Balance, prepare an Income and Expenditure Account of the Calcutta Club for the year ended 31<sup>st</sup> March, 2019 and a Balance sheet as on that date. Depreciate furniture by 10%, Billiards tables and accessories by 20% and China Glass, Cutlery, etc by 33 1/3 %. Of the subscription Rs.400 is paid in advance and Rs.250 is in arrears. Rs. 300 is owing for salaries to staff. CO1 K4

| Dr. Balances                                      | Rs.   | Cr. Balances                        | Rs.    |
|---|-------|-------------------------------------|--------|
| Furniture   | 2,500 | Cash at Bank                        | 4,800  |
| Billiards Tables and Accessories (bought in 2013) | 1,250 | Cash in Hand                        | 174    |
| China Glass, cutlery, etc.                        | 333   | Members Subscription                | 10,560 |
| Repairs   | 734   | Sundry receipts from Billiards, etc | 1,743  |
| Salaries and Wages                                | 2262  | Sale of Tickets for Entertainment   | 3,234  |
| Rent and Telephone                                | 3194  | Sundry creditors                    | 2,600  |
| Fuel and Light                                    | 1618  | Entrance Fees                       | 448    |
| Cost of Entertainment                             | 2190  | Income and Expenditure A/c          |        |
| Sundry expenses                                   | 1600  | Balance ( or Capital Fund)          | 4,000  |
| Cost of Annual Dinner                             | 760   |                                     |        |
| Sundry Debtors                                    | 1170  |                                     |        |

17.a. Mr. A had the following transaction with B.

CO2 K3

|      |       |    |   |       |
|------|-------|----|---|-------|
| 2018 | Jan   | 1  | Balance (Dr.)   | 1,000 |
|      | Jan   | 10 | Goods Sold  | 600   |
|      | Feb   | 20 | Cash received   | 900   |
|      | March | 5  | Goods Purchased   | 1200  |
|      | April | 25 | Cash paid   | 400   |
|      | May   | 16 | Goods Sold  | 500   |
|      | May   | 16 | Received a bill for Rs. 300 at one month and discounted for Rs. 290 |       |

Make out an account current to be submitted by A to B on 30<sup>th</sup> June 2012 charging interest @16% p.a. on debit items and allowing interest @12% on credit items.

(or)

17.b. A partner has withdrawn the sums of money during the half year ending 30<sup>th</sup> June, 2017.

CO2 K3

|                       |  |      |
|-----------------------|--|------|
|                       |  | Rs.  |
| 15 <sup>th</sup> Jan  |  | 500  |
| 10 <sup>th</sup> Feb  |  | 400  |
| 12 <sup>th</sup> Mar. |  | 700  |
| 5 <sup>th</sup> Apr   |  | 800  |
| 20 <sup>th</sup> May  |  | 1000 |
| 18 <sup>th</sup> June |  | 900  |

Interest is to charged at 10% p.a. find out the average due date and calculate the interest on drawings.

18.a. A and B are partners sharing profits in the ratio of 3:1. Their Balance sheet stood as under on 31.03.2018:

CO3 K4

| LIABILITIES |        | RS     | ASSETS            |       | RS     |
|-------------|--------|--------|-------------------|-------|--------|
| Capital     |        |        | Stock             |       | 10,000 |
| A:          | 30,000 |        | Prepaid insurance |       | 1,000  |
| B:          | 20,000 |        | Debtors           | 8,000 |        |
|             |        | 50,000 | Less: provision   | 500   | 7,500  |
| Salary due  |        | 5,000  | Cash              |       | 18,500 |
| Creditors   |        | 40,000 | Machinery         |       | 22,000 |
|             |        |        | Buildings         |       | 30,000 |
|             |        |        | Furniture         |       | 6,000  |
|             |        | 95,000 |                   |       | 95,000 |

C is admitted as a new partner introducing a capital of Rs.20,000, for his ¼ th share in future profit.

Following revaluations are made:

- i) Stock be depreciated by 5%
- ii) Furniture be depreciated by 10%
- iii) Buildings be revalued at Rs.45,000
- iv) The provision for doubtful debts should be increased to Rs.1,000

Pass journal entries, prepare revaluation a/c and Balance sheet after admission.

(or)

18.b. The following was the balance sheet of A and B who were sharing profits two thirds and one-third on 31<sup>st</sup> December, 2018:

CO3 K4

| LIABILITIES | Rs.      | ASSETS              | Rs.      |
|-------------|----------|---------------------|----------|
| Creditors   | 65,900   | Cash at bank        | 1,200    |
| Capitals:   |          | Sundry Debtors      | 9,700    |
| A           | 30,000   | Stock               | 20,000   |
| B           | 20,000   | Plant and Machinery | 35,000   |
|             |          | Building            | 50,000   |
|             | 1,15,900 |                     | 1,15,900 |

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

- C was to be given one-third share in profits, and was to bring Rs. 15,000 as his capital.
- Stock to be depreciated by 10%
- Provision for doubtful debts is 5%
- Appreciate building a/c by Rs.9,500
- Investments Rs. 400 were taken into a/c. (not mentioned in the balance sheet)
- Assets and liabilities values are not changed except cash.

Prepare Memorandum revaluation a/c, capital a/c and balance sheet.

19.a. A,B and C were in partnership sharing profits equally. C died on 31<sup>st</sup> March 2016.

The balance sheet of the firm as at 31<sup>st</sup> December, 2015 was as under. CO4 K3

| Liabilities                  | Rs.      | Assets                 | Rs.      |
|------------------------------|----------|------------------------|----------|
| Sundry creditors             | 15,600   | Cash in hand & at Bank | 4,000    |
| General reserve              | 6,000    | Debtors                | 18,000   |
| Investment Fluctuation Fund  | 2,100    | Stocks                 | 28,000   |
| Provision for doubtful debts | 1,800    | Investment (at cost)   | 8,000    |
| Capital :                    |          | Freehold property      | 30,000   |
| A           30,000           |          | Goodwill               | 13,500   |
| B           25,000           |          |                        |          |
| C           21,000           |          |                        |          |
|                              | 76,000   |                        |          |
|                              | 1,01,500 |                        | 1,01,500 |

On the date of death it was found that: 1) Freehold property was worth Rs. 57,000; 2) Debtors were all good; 3) Stocks were valued at Rs. 25,000; 4) Investment were valued at Rs. 7,500 and were taken over by A at that value. 5) A liability for workmen's compensation for Rs. 3,000 was to be provided for; 6) Goodwill was to be valued at one years purchase of average profit of last 5 years; 7) C's share of profit upto the date of death was to be calculated on the basis of last years profit.

The profits of the last 5 years were as under:

2011 Rs. 11,500; 2012 Rs. 12,500; 2013 Rs. 8,000; 2014 Rs. 10,000; 2015 Rs. 12,000

Prepare i) Revaluation A/c ii) Capital Account of C and iii) Balance sheet of the remaining partners.

(or)

19.b. A, B and C were partners, sharing profits in the proportion of one-half, one – third and one-sixth respectively. The firms balance sheet as on 31<sup>st</sup> March 2018 stood as under. CO4 K3

| Liabilities      | Rs.    | Rs.      | Assets            | Rs.   | Rs.      |
|------------------|--------|----------|-------------------|-------|----------|
| Sundry creditors |        | 19,000   | Cash              |       | 2,500    |
| Bills payable    |        | 5,000    | Debtors           | 16000 |          |
| Reserve Fund     |        | 12,000   | Less: Provision   | 500   | 15,500   |
| Capitals     A   | 40,000 |          | Stock             |       | 25,000   |
| B                | 30,000 |          | Motor Van         |       | 8,000    |
| C                | 25,000 | 95,000   | Plant & Machinery |       | 35,000   |
|                  |        |          | Factory Building  |       | 45,000   |
|                  |        | 1,31,000 |                   |       | 1,31,000 |

B retires on that date subject to the following adjustment:

1. The goodwill of the firm to be valued at Rs. 18,000
2. Plant to be depreciated by 10% and Motor van by 15%
3. Stock to be appreciated by 20% and Building by 10%
4. Provision for doubtful debts to be increased by Rs. 1,950
5. Liability for workmen's compensation to the extent of Rs.450 is to be brought into account.

It was agreed that A and C will share in future in the ratio of A – 3/5 and C- 2/5.

Pass journal entries, revaluation account and balance sheet.

20.a. A,B, and C were equal partners. Their balance sheet on the date of dissolution was as follows:

CO5 K3

| LIABILITIES   | RS     | RS     | ASSETS              | RS    | RS     |
|---------------|--------|--------|---------------------|-------|--------|
| Creditors     |        | 45,000 | Sundry assets       |       | 63,000 |
| Bills payable |        | 5,000  | Cash at bank        |       | 2,000  |
| B's loan a/c  |        | 3,000  | Profit and loss a/c |       | 16,000 |
| Capital a/cs: |        |        | Drawings:           |       |        |
| A             | 23,000 |        | B                   | 3,000 |        |
| B             | 6,000  |        | C                   | 3,000 |        |
| C             | 4,000  |        | D                   | 3,000 | 9,000  |
| D             | 4,000  | 37,000 |                     |       |        |
|               |        | 90,000 |                     |       | 90,000 |

The assets realized Rs.56,000. The expenses of realisation amounted to Rs.1,000.

The position of partners on the date was as follows:

| PARTICULARS | PRIVATE ESTATE | PRIVATE LIABILITIES |
|-------------|----------------|---------------------|
|             | RS             | RS                  |
| A           | 20,000         | 23,000              |
| B           | 16,000         | 10,000              |
| C           | 14,000         | 12,000              |
| D           | 8,000          | 9,000               |

Prepare the ledger accounts to close the books of the firm.

(or)

20.b. Naveen and Vishal are partners for last three years ending 31<sup>st</sup> December,2018 at which they agree to dissolve. The capital at commencement were Rs.30,000 and Rs.20,000 respectively. Profits were shared at 3:2.The results of last three years before allowing 10% interest on capitals were:

CO5 K3

|      |        |        |
|------|--------|--------|
| 2016 | Profit | 30,000 |
| 2017 | Profit | 22,200 |
| 2018 | Loss   | 5,380  |

Drawings of each partner were Rs.4,000 per year.

Creditors on the date of dissolution were :Rs.16,400.

The assets realized Rs.75,000. Expenses were Rs.550.

Give the necessary accounts to close the firm.

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