

BOARD QUESTION PAPER : JULY 2018

BOOK-KEEPING & ACCOUNTANCY

Time: 3 Hours

Max. Marks: 80

- Attempt any THREE of the following sub-questions:** [15]
- (A) Answer the following questions in only 'one' sentence each:** (5)
- (1) To which account is gross profit transferred?
 - (2) What is Revaluation Account?
 - (3) What is meant by Share Premium?
 - (4) What is Due Date of a Bill?
 - (5) Which type of accounts are maintained under Single Entry System?
- (B) Write a word / term / phrase as a substitute for each of the following statements:** (5)
- (1) An amount contributed by the partners into the business.
 - (2) A person who draws a Bill of Exchange.
 - (3) The debentures which are converted into shares.
 - (4) Those three extra days which are allowed over and above the period of bill.
 - (5) An asset which can be converted into cash immediately.
- (C) Select the most appropriate alternative from those given below and rewrite the statements:** (5)
- (1) Wages paid for installation of machinery should be debited to _____ Account.
(A) Machinery (B) Wages
(C) Trading (D) Profit and Loss
 - (2) The profit or loss from revaluation of assets and liabilities on Retirement of a partner is shared by _____.
(A) all partners (B) the remaining partners
(C) only the retiring partner (D) none of these
 - (3) In case of admission of a partner, the profit or loss on revaluation of assets and liabilities is shared by _____ partners.
(A) all (B) old
(C) new (D) none of these
 - (4) There are _____ parties to the Bill of Exchange.
(A) two (B) three
(C) four (D) five
 - (5) The capital balances are ascertained by preparing _____.
(A) Statement of Affairs (B) Cash Account
(C) Drawings Account (D) Debtors' Account
- (D) State whether the following statements are True or False:** (5)
- (1) The final balancing amount of income and expenditure account represents either surplus or deficit.
 - (2) At the time of dissolution of a partnership firm all assets should be transferred to realisation account.
 - (3) Bill of exchange is an instrument in writing, which contains unconditional order.
 - (4) Noting charges are payable to the notary public on honour of a bill.
 - (5) Ratio analysis is useful for inter-firm comparison.
- (E) Prepare a format of a Bill of Exchange from the following information:** (5)
- (1) Drawer – Ramesh Patil,
Shivaji Peth,
Kolhapur.
 - (2) Drawee – Ranjit Kale,
Laxmi Road,
Pune.

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- (3) Payee – Suresh More,
Ram Nagar,
Sangli
- (4) Amount of bill – ₹ 12,500
- (5) Period of bill – 90 days
- (6) Date of bill – 5th March, 2015
- (7) Date of acceptance – 8th March, 2015

Mrs. Sunita keeps her books on Single Entry System and gives the following information :

[8]

Particulars	01.04.2015 Amount (₹)	31.03.2016 Amount (₹)
Cash at Bank	10,000	64,000
Debtors	50,000	80,000
Stock	60,000	1,00,000
Plant	40,000	40,000
Building	1,00,000	1,00,000
Bills payable	10,000	10,000
Creditors	30,000	40,000

Additional information:

Mrs. Sunita withdrew from business ₹ 30,000 for personal use and further introduced fresh capital of ₹ 50,000. Depreciation is to be charged @ 10% p.a. on Plant and Building.

Prepare:

- (1) Statement of Affairs as on 01.04.2015.
- (2) Statement of Affairs as on 31.03.2016.
- (3) Statement of Profit or Loss for the year ending 31.03.2016.

OR

- (A) State any four limitations of analysis of financial statements.
- (B) Explain return on investment (ROI).

(4)

(4)

Darshan and Amar were partners sharing profit and losses in the proportion of 2:1. Their Balance Sheet is as follows:

[10]

Balance Sheet as on 31st March 2016

Liabilities	Amount (₹)	Amount (₹)	Assets	Amount (₹)	Amount (₹)
Capital:			Building		1,00,000
Darshan	96,000		Furniture		20,000
Amar	64,000	1,60,000	Equipments		10,000
General Reserve		18,000	Debtors	63,000	
Profit and Loss A/c		6,000	Less: R.D.D.	3,000	60,000
Creditors		80,000	Stock		84,000
Pawan's Loan A/c		26,000	Cash		16,000
		2,90,000			2,90,000

On 1st April, 2016, Ranjit is admitted in the partnership on the following terms:

- (1) Ranjit should bring in cash ₹ 48,000 as capital for 1/5th share in future profits.
- (2) Goodwill was raised in the books of the firm for ₹ 18,000.
- (3) Building is revalued at ₹ 1,12,000 and the value of stock to be reduced by ₹ 6,000.
- (4) Reserve for doubtful debts be maintained at ₹ 1,800.
- (5) Pawan's loan is to be repaid.

Prepare:

- (1) Revaluation A/c
- (2) Capital A/c's of partners and
- (3) Balance Sheet of the new firm

OR

The Balance Sheet of Samarth Traders is as follows. The partners share profits and losses as 5: 2: 3.

Balance Sheet as on 31st March, 2016

Liabilities	Amount (`)	Assets	Amount (`)	Amount (`)
Capital Accounts:		Plant and Machinery		16,000
<i>Prakash</i>	18,000	Building		20,000
<i>Dinakar</i>	16,000	Stock		10,200
<i>Rajan</i>	8,800	Debtors	8,400	
Creditors	10,600	<i>Less : R.D.D.</i>	400	8,000
General reserve	7,000	Cash in hand		6,200
	60,400			60,400

Dinakar retired from the business on 1st April, 2016 on the following terms :

- (1) The assets are revalued as under:
 Stock at ` 14,000.
 Building is appreciated by 10%.
 Reserve for doubtful debts is to be increased upto ` 500.
 Plant and machinery is to be depreciated by 10%.
- (2) The goodwill of the retiring partner is valued at ` 4,000 and the remaining partners decided that goodwill be written back in their new profit sharing ratio which will be 5: 3.
- (3) Dinakar is to be paid ` 2,220 in cash on his retirement and the balance is to be transferred to his loan account.

Prepare:

- (1) Profit and Loss Adjustment Account
- (2) Capital Account of partners.
- (3) Balance Sheet of new firm

On 7th March, 2016, Ram draws a bill on Rohit for ` 8,000 at 3 months. Rohit accepts it and returns it to Ram. Ram then sends the bill to his bank for collection. [10]

On due date, Rohit finds himself unable to make the payment of the bill and requests Ram to renew it. Ram agreed on the condition that Rohit should pay ` 5,000 in cash and should accept a new bill for the balance at 2 months with interest ` 200. These arrangements were carried through. Before due date, Rohit was declared as insolvent and ` 1,500 could be recovered from his private estate as first and final dividend. Give Journal Entries in the books of Ram.

Following is the balance sheet as on 31st March 2016 of M/s Jay and Ajay: [10]

Balance Sheet as on 31st March, 2016

Liabilities	Amount (`)	Assets	Amount (`)
Capital accounts:		Cash at bank	18,000
<i>Jay</i>	1,50,000	Stock	75,000
<i>Ajay</i>	1,50,000	Furniture	90,000
<i>Reserve fund</i>	30,000	Investments	30,000
<i>Loan from Jay</i>	3,000	Machinery	90,000
<i>Bills payable</i>	6,000	Buildings	45,000
<i>Creditors</i>	30,000	Debtors	24,000
		<i>Less : R.D.D.</i>	3,000
	3,69,000		3,69,000

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The firm was dissolved on 31st March, 2016 and the assets realised were as under:

- (1) Jay took over the investment at ` 27,600 and Ajay took over the furniture at ` 84,000.
- (2) The assets were realised as follows :
 Stock ` 73,500; Debtors ` 22,500;
 Machinery ` 84,000; Building ` 42,000
- (3) The creditors were paid off at a discount of ` 900 and other liabilities were paid in full.
- (4) Dissolution expenses were ` 4,200.
- (5) Jay and Ajay were sharing profits and losses in the ratio of 3 : 2.

- Prepare :**
- (1) Realisation Account
 - (2) Capital Account of all partners
 - (3) Bank Account

OR

Manish and Co. Ltd. made an issue of 40,000 equity shares of ` 20 each payable as follows:

- Application ` 5 per share
 Allotment ` 10 per share
 Firstcall ` 3 per share

Second call and Final call ` 2 per share

The company received applications for 50,000 shares of which application for 10,000 shares were rejected and money refunded. All the shareholders paid upto second call except Sunita, the allottee of 400 shares, failed to pay the final call. The expenses of issuing amounted to ` 6,000.

Pass Journal entries in the books of Manish and Co. Ltd.

Q.6. Following is the Receipts and Payments Account and additional information of Jeevan Hospital, Kolhapur. Prepare Income and Expenditure Account for the year ending 31st March, 2016 and the Balance Sheet as on that date.

[12]

Receipts and Payments Account for the year ended on 31st March, 2016

Dr.	Amount (`)	Cr.	Amount (`)
Receipts		Payments	
To Balance b/d	12,000	By Medicines	20,000
To Subscription		By Honorarium to doctors	1,50,000
2014-2015 15,000		By Ambulance Maintenance	88,000
2015-2016 1,90,000		By Hospital equipment	
2016-2017 30,000	2,35,000	purchased	60,000
To Donation for building		By Furniture Purchased	50,000
fund	1,10,000	By Fixed deposit	2,00,000
To Life Membership Fees	50,000	By Balance c/d	1,39,000
To Hospital receipts			
(Revenue)	3,00,000		
	7,07,000		7,07,000

Additional information:

- (1) Outstanding subscription for 2015 – 2016 is ` 10,000.
- (2) Hospital equipment and furniture were purchased on 01.10.2015 and both the assets were to be depreciated @ 20% p.a.
- (3) Life membership fees are to be capitalized.
- (4) Staff salary for current year is outstanding ` 15,000.
- (5) On 01.04.2015, the hospital had the following assets and liabilities :
 Land ` 5,00,000
 Investment ` 1,00,000
 Bank loan ` 4,00,000
 Ambulance ` 2,05,000
- (6) Capital Fund as on 01.04.2015 was ` 4,32,000.

Q.7. From the following Trial Balance of M/s Patil and Desai, you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date : [15]

Trial Balance as on 31.03.2016

Debit Balances	Amount (`)	Credit Balances	Amount (`)
Machinery	1,40,000	Capital accounts :	
Furniture	80,000	<i>Patil</i>	2,00,000
Coal, gas and water	4,300	<i>Desai</i>	1,50,000
Land and building	1,20,000	Sales	3,30,000
Purchases	2,32,000	Sundry creditors	1,05,000
Postage and telegrams	2,200	Bank loan	40,000
Export duty	15,500		
Wages and salaries	31,000		
Rent and taxes	7,200		
Cash in hand	58,000		
Freight	6,200		
Prepaid rent	3,600		
Sundry debtors	76,000		
Salaries	4,200		
Opening stock	39,000		
Discount	5,800		
	8,25,000		8,25,000

Adjustments :

- (1) Closing stock in hand was valued at ` 61,000.
- (2) Goods distributed as free samples were ` 3,000.
- (3) Outstanding salaries ` 900.
- (4) Provide reserve for doubtful debts at 5% on sundry debtors.
- (5) Depreciate machinery at 5% p.a.