

SECOND YEAR PUC ACCOUNTANCY (30)
MODEL QUESTION PAPER - 4

Time : 3. 15 hrs.

Max. Marks : 100

Section - A

I. Answer any Seven of the following questions, each carrying two marks: $7 \times 2 = 14$

1. Bring out the difference between the Reserves and the Provision.
2. Define partnership.
3. Why the Sacrifice ratio is calculated?
4. Name any two methods of payments mode to retiring partner.
5. What do you mean by the dissolution of the partnership firm?
6. Name the financial statements of a Joint stock company.
7. Expand EBIT.
8. What is financial statement analysis?
9. What a Non-trading organization.
10. What do you mean by the data?

Section - B

II. Answer any four of the following questions, each carrying five marks: $4 \times 5 = 20$

11. Ganga, Yamuna and Saraswathi are partners of a firm, sharing profit in the ratio 5 : 3 : 2 with capitals of Rs. 1,00,000; 60,000 and 40,000 respectively. According to the partnership deed, they are entitled for the following;
 - a. Interest on capital @ 12% p.a.
 - b. Interest on drawings @ 10% p.a.
 - c. Yamuna is allowed a salary Rs. 1000 p.mDrawings of the partners during the year amounted to 16,000, 14,000 and 10,000 respectively and interest on drawings being 1600, 1400 and 1000 respectively.
The profits for the year amounted to ₹ 45,000.
Prepare Profit and Loss appropriation A/c
12. Surya and Chandra are partners sharing profit in the ratio 7 : 3. They admit Taara in to partnership. Surya agrees to surrender $\frac{1}{2}$ of his share and Chandra agrees to surrender $\frac{1}{4}$ of his share in favour of Taara. Calculate New Ratio of Partners.
13. Anand, Bhaskar and Chandan are partners in a firm, sharing profit in the ratio 2 : 2 : 1. The Balance Sheet of the firm as on 31.03.2014 was as under

PUE

Liabilities	₹	Assets	₹
Bills payable	16,000	Cash in hand	15,000
Creditors	19,000	Stock	10,000
Capitals		Bills Receivable	25,000
Anand	40,000	Computers	30,000
Bhaskar	35,000	Furniture	15,000
Chandan	20,000	Machinery	25,000
		Profit and Loss A/c	10,000
	1,30,000		1,30,000

Chandan died on 30th June 2014. His executors were entitled for the following:

- (a) His capital as on the date of death.
- (b) His share in P/L A/c
- (c) Interest on capital to be allowed @ 10% p.a
- (d) His salary @ 800 p.m
- (e) His share of profit up to date of his death, to be calculated on the basis of last year profit.

The profit of the firm for the current year estimated to be 20,000,

Prepare Chandan's executors account.

14. The Mysore Minerals Ltd. issued 10,000. 6% debenture of ₹100 each at par, payable as follows;

₹ 20 on application

₹ 40 on allotment

₹ 40 on first and final call

Pass necessary journal entries in the books of the company upto the stage of first call money due.

15. The income statements of Vishnu Traders are given below for year ending 31 March 2012 and 31 March 2013. Prepare a comparative income statement.

Income statements for the year ending 31.3.2012 and 31.03.2013

Particulars	31 March 2012	31 March 2013
Net Sales	7,50,000	9,00,000
Less Cost of Goods sold	<u>4,50,000</u>	<u>5,40,000</u>
Gross profit	3,00,000	3,60,000
Operating expenses		
Office & Admin. expenses	70,000	75,000
Selling and distribution expens.	80,000	90,000

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Non-operating expenses		
Interest paid	25,000	30,000
Income tax	75,000	90,000
Net profit	50,000	75,000

16. From the following information related to Raamashraya club, Mysore prepare the Receipts and payments A/c for the year ending 31.03.2014.

Cash in hand on 1.4.2013, 1000; Intranche fees received ₹ 1000; Subscriptions received ₹75,000, Rent paid 9000; Printing and Stationery expenses ₹ 5000; Newspaper and Periodicals ₹ 5,800; Electricity charges ₹ 400; Furniture purchased ₹ 10,000; Sale of old news papers ₹500, Life membership fees ₹ 2000.

17. Bring out the advantages of Data Base Management system.

Section - C

III. Answer any four of the following questions, each carrying fourteen marks:

4 × 14 =56

18. From the following particulars, prepare the Machinery A/c and Depreciation A/c for 4 years, closing the accounts every year on 31st March.

1. 'A' machine bought at a cost of Rs. 50000 on 1.4.2010.
2. 'B' machine purchased for Rs. 30,000 on 1.10.2011.
3. 'A' machine sold for Rs. 35,000 on 30.9.2012.
4. 'C' machine bought for Rs. 40,000 on 1.4.2013.

Depreciation is charged at 10% p.a on original cost method.

19. Ajay, Vijay and Sujay were partners sharing profit and losses in the Ratio of 5 : 2 : 1 respectively. Their Balance Sheet as on 31.3.2013 was as under.

Balance Sheet as on 31.3.2013

Liabilities	Rs.	Assets	Rs.
Creditors	15,000	Cash at Bank	5,000
Bills payable	9,000	Bills Receivable	12,600
Reserve Fund	16,000	Debtors	30,000
Capitals:		– Reserve	1,600
Ajay	50,000	Stock	20,000
Vijay	30,000	Machinery	50,000
Sujay	10,000	Motor car	14,000
	1,30,000		1,30,000

Sujay retired, the following adjustments are to be made.

1. Stock to be appreciated by 20%
2. Reserve for doubtful debts to be maintained at 10% on debtors.
3. Machinery and Motor car to be depreciated by 5% and 10 % respectively.

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4. Outstanding legal charges to be provided for Rs. 1100.
5. Good will of the firm was raised for Rs. 35,000 and it has to be written off immediately after sujay's retirement.

Prepare:

1. Revaluation Account
 2. Partners capital Accounts
 3. Balance Sheet of the new firm.
20. Jyothi, Preeti and Keerti are partners sharing profits and losses in the ratio of 5 : 3 : 2. Their Balance Sheet as on 31.03.2014 was as follows:

Balance Sheet as on 31.03.2014

Liabilities	₹	₹	Assets	₹	₹
Creditors		15,000	Cash in hand		1,000
Jyothi's loan		5,000	Cash at Bank		20,000
Bills payable		10,000	Debtors	26,000	
Bank Loan		8,000	Less: RBD	1,000	25,000
Reserve fund		12,000	Investments		18,000
Profit and Loss A/c		10,000	Machinery		25,000
Capitals:		50,000	Furniture		16,000
Jyothi	20,000		Bills receivables		5,000
Preeti	20,000				
Keerti	10,000				
		1,10,000			1,10,000

On the above date the firm was dissolved:

- a. The assets were realised as under:
Debtors ₹ 24,000, Bills Receivable ₹ 4,000, Investments ₹ 15,000 and Machinery ₹ 22,000.
- b. Preeti took over Furniture for Rs. 10,000.
- c. Creditors and Bills payable are discharged at 5% Discount
- d. Bank loan paid in full.
- e. Unrecorded Investment realised for Rs. 4,000
- f. Realisation Expenses paid Rs. 1,250.

Prepare:

- (i) Realisation Account (ii) Partners' Capital Accounts and (iii) Bank A/c

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21. The Suguna Mills Ltd. issued 10,000 Equity shares of ₹ 100 each at a premium of Rs. 5 per share. The amount was payable as:

₹ 10 on application

₹ 25 on Allotment (Including premium)

₹ 30 on First call

₹ 40 on Final call

Assuming all the share were subscribed and the money was duly received except the final call on 1000 shares. So, the directors forfeited these shares and re-issued as fully paid up at Rs. 80 per share. Make the necessary Journal Entries.

22. The following is the trial balance of Vikrant Ltd as on 31.03.2014

Particulars	Debit ₹	Credit ₹
Equity Share capital	-	10,00,000
Opening stock	3,00,000	-
Purchases and Sales	7,60,000	23,00,000
Purchases Returns	-	20,000
Wages	1,20,000	-
Carriage Inward	4,000	-
Salaries	24,000	-
Furniture	50,000	-
Rent	30,000	-
Trade Expenses	22,000	-
Debtors and Creditors	1,08,000	67,400
Cash at Bank	43,000	-
Plant and Machinery	24,00,000	-
Patents	18,000	-
Discount	16,000	12,600
Profit and Loss A/c on 1.4.2013	-	3,40,000
General Reserve	-	1,64,000
Bills Receivable & Bills Payable	28,000	26,000
Provision for doubtful debts	-	6000
Bad debts	13,000	-
Total	39,36,000	39,36,000

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Adjustments:

1. Stock on 31.03.2014 Rs. 4,00,000
 2. Depreciate Plant and Machinery at 10%, Furniture at 10% and Patents at 20%
 3. The Board of Directors recommended a dividend of 25%.
 4. Further bad debts amounted to Rs. 8,000. Prepare Financial statements in vertical format.
23. The followings are the Balance sheet of Raj and Co at the end of 31st March of 2012 and 2013.

Liabilities	2012	2013	Assets	2012	2013
	₹	₹		₹	₹
Equity share capital	1,20,000	1,85,000	Fixed Assets	1,40,000	1,95,000
Preference share capital	70,000	95,000	Stock	40,000	45,000
Reserves	30,000	35,000	Debtors	70,000	82,500
Profit & Loss A/c	17,500	20,000	Bills Receivable	20,000	50,000
Bank overdraft	35,000	45,500	Prepaid Expenses	6,000	8,000
Creditors	25,000	35,000	Cash at Bank	40,000	48,500
Provision for Taxation	15,000	22,500	Cash in hand	5,000	29,000
Proposed dividend	8,500	20,000			
	3,21,000	4,58,000		3,21,000	4,58,000

Prepare the comparative position statement of Raj & co.

24. Following is the receipt and payment account of Sharada Education Trust, Ramanagar, Commenced on 01.04.2013.

Dr. Receipts and payments A/c for the year ending 31-3-2014 Cr.

Receipts	₹	Payments	₹
To Life membershi fees	18,000	By Application fees	7,000
To Donation	2,00,000	By Buildings	1,40,000
To Government grants	60,000	By Furniture	18,900
To Admission fee	40,000	By Library books	55,000
To Subscriptions	25,000	By Salary	72,100
To Fess from students	38,500	By Printing & Stationery	11,600
To Interest	3,500	By Telephone charges	7,400
		By Postage	2,200
		By Sports Materials	12,800
		By Union day function	48,500
		By Balance c/d	9,500
	3,85,000		3,85,000

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Adjustments:

1. Salary outstanding ₹ 6,500.
2. Subscription received in advance ₹ 4,000 and subscription due ₹ 7,000.
3. Depreciate Furniture at 10%.
4. Depreciate Books by ₹ 5,000.
5. Sports materials were valued on 31.03.14 at ₹ 6,200.
6. Govt. grants are to be considered as revenue.

Prepare: (1) Income and Expenditure Account and (2) Balance sheet as on 31.03.2014.

SECTION - D

(Practical Oriented Questions)

VI. Answer any two questions, Each carrying five marks. 2 × 5 = 10

25. Prepare a Machinery account for two years with imaginary figures under diminishing balance method.
26. Prepare capital accounts of two partners under fluctuating capital system with five imaginary figures.
27. Prepare the common size income statement of two years with five imaginary figures.

SCHEME OF VALUATION - 4
ACCOUNTANCY (30)

Time : 3 : 15 hrs.

Max. Marks : 100

SECTION - A

1. The Reserve refers to the amount set aside out of profits to meet any unexpected contingencies. Provision on the other hand is a charge against profit to meet certain known liabilities or contingencies. (2 marks)
2. Partnership can be defined as the relationship that exists between two or more partners for the purpose of carrying an any business activity and to share profits. The activities of the firm can be looked after by all the partners or any one on behalf of others. (2 marks)
3. The sarificing ratio is calculated to distribute the amount of goodwill among old partners, when a new partner brings it in cash. (2 marks)
4. 1. The settlement can be made in lumpsum by cash or by cheque (through bank)
2. The settlement can be made through bank OD
3. The amount due can be transferred to retiring partners loan account.
(or any other each 1 mark)
5. The dissolution of partnership firm refers to complete and permanent closure of all partnership activities by that the firm loses its identity. (2 marks)
6. 1. Income statement 2. Position statement. (1 + 1)
7. EBIT - Earnings before interest & Tax. (2 marks)
8. Financial analysis is basically a study of relationship among various financial statements to ascertain the profitability and operational efficiency of a concern. (2 marks)
9. It is an organization that is framed to render valuable social service rather than earning of profits. It is established mainly for the purpose of promoting education, sports, culture, etc. (2 marks)
10. Data refer to information of facts that are to be processed by using computers. (2 marks)

SECTION - B

11. In the books of Ganga, Yamuna and Saraswati, Profit and Loss appropriation A/c for the year ended

Dr.

Cr.

Particulars	₹	Particulars	₹
To Interest on capital		By P & L A/c	45,000
Ganga	12,000	(Net profit)	
Yamuna	7,200	By Interest on drawings	
Saraswati	4,800	Ganga	1,600

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To Yamuna's salary a/c (1000 × 12)	12,000		
To Capital A/c		Yamuna	1,400
Ganga 6,500		Saraswati	1,000
Yamuna 3,900			
Saraswati 2,600	13,000		
	49,000		49,000

(5 marks)

12. Old ratio of Surya and Chandra = $\frac{7}{10} : \frac{3}{10}$

Share surrendered by Surya, to Taara :

(1 mark)

$$= \frac{7}{10} \times \frac{1}{2} = \frac{7}{20}$$

Share surrendered by Chandra, to Taara :

$$= \frac{3}{10} \times \frac{1}{4} = \frac{3}{40}$$

Share of Taara = Share surrendered surya + share surrendered by Chandra

$$= \frac{7}{20} + \frac{3}{40} = \frac{14+3}{40} = \frac{17}{40}$$

NR of Surya = OR – Share surrendered

(2 marks)

$$= \frac{7}{10} - \frac{7}{20} = \frac{14-7}{20} = \frac{7}{20}$$

$$\text{NR of Chandra} = \frac{3}{10} - \frac{3}{40} = \frac{12-3}{40} = \frac{9}{40}$$

NR of the firm : Surya : Chandra : Taara

(2 marks)

$$= \frac{7}{20} : \frac{9}{40} : \frac{17}{40} = \frac{14}{20} : \frac{9}{40} : \frac{17}{40}$$

$$\text{NR} = \boxed{14:09:17}$$

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13. In the book of Anand, Bhaskar and Chandan

5 Marks

Dr.	Chandan's Executor's A/c	Cr	
Particulars	₹	Particulars	₹
To Profit & Loss a/c	2,000	By Chandan's Cap. a/c	20,000
To Balance c/d	21,400	By Int. on cap %	500
		" Salary a/c (800 × 3)	2,400
		" P & L suspense a/c	500
	23,400		23,400
		By Balance b/d	21,400

14. In the books of Mysore Minerals Ltd

Journal entries

Date	Particulars	LF	Debit ₹	Credit ₹
1.	Bank A/c Dr. To 6% Debenture A/c (Being for the application money on 6% debenture received)		2,00,000	2,00,000
2.	6% Debenture application A/c Dr. To 6% Debenture A/c (Being transferred deb. application money to debenture A/c)		2,00,000	2,00,000
3.	6% Debenture allotment A/c To 6% Debenture A/c (Being the allotment money due)		4,00,000	4,00,000
4.	Bank A/c Dr. To 6% Debenture allotment A/c (Being the allotment money received)		4,00,000	4,00,000
5.	6% Debenture it final cap. A/c Dr. To 6% Debenture A/c (Being the amount due final call)		4,00,000	3,00,000

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15. In the books of Vishnu Traders

Comparative income statment for the year ended 31.3.2012 & 31.3.2013

Particulars	2012	2013	Absolute increase or decrease	%age of Increase or decrease
Net Sales	7,50,000	9,00,000	1,50,000	20%
Less Cost of goods sold	4,50,000	5,40,000	90,000	20%
Gross profit (A)	3,00,000	3,60,000	60,000	20%
Less Operating expenses				
Office and administrations expenses	70,000	75,000	5,000	7.14%
Selling end distribution expenses	80,000	90,000	10,000	12.5%
Total operating expenses (B)	1,50,000	1,65,000	15,000	10%
Operating profit (A – B)	1,50,000	1,95,000	45,000	30%
Less Non-operating expenses				
Interes paid	25,000	30,000	5,000	20%
Net profit before tax	1,25,000	1,65,000	40,000	32%
Less Income tax	75,000	90,000	15,000	20%
Net profit after tax	50,000	75,000	25,000	50%

16. In the books of Ramashraya Club, Mysore

Dr. Receipts and Payments A/c for the year ending 31.3.2014 Cr.

Receipts	₹	Payments	₹
To Balance b/d	1,000	By Rent	9,000
" Entrance fees	1,000	" Printing & Stationery	5,000
" Subscriptions	75,000	" Newspaper journals	5,800
" Sale of old news paper	500	" Electricity charge	400
" Life membership fees	2,000	" Furniture	10,000
		" Balance c/d	49,300
	79,500		79,500

17. Advantages of Data base management system

1. **Data sharing:** The data stored in one place can be used by many users.
2. **Reduced Data application:** It avoide duplication of data from file to file by allowing data shared among many users.
3. **Independent data:** The data is independent from its programme. Any change in data need not require change in the programme.
4. **Centralised data administration:** The data can be stored in one place and managed.
5. **Concurrent access control:** Many users can access and store the data.

PUE

6. Back up control: It creates the copy of the original file. If any damage occurs to the original file, the data can be recovered from back up file. (3 + 2 = 5)

SECTION - C

18. Dr		Machinery Account		Cr	
Date	Particulars	₹	Date	Particulars	₹
1.4.2010	To Bank A/c	50,000	31.3.2011	By Depreciation A/c (A)	5000
				$\left(50,000 \times \frac{10}{100} \right)$	
			31.3.2011	By Balance c/d	45,000
		50,000			50,000
1.4.2011	To Balance b/d	45,000	31.3.2012	By Depreciation A/c	6,500
1.10.2011	To Bank A/c (B)	30,000		$50,000 \times \frac{10}{100} = 5000 (A)$	
				$30,000 \times \frac{10}{100} \times \frac{6}{12} (B)$	
			31.3.2012	By Balance b/d	68,500
		75,000			75,000
1.4.2012	To Balance b/d	68,500	30.9.2012	By Bank A/c	35,000
				('A' machine sold)	
			30.9.2012	By Depreciation A/c (A)	2500
				$\left(50000 \times \frac{10}{100} \times \frac{6}{12} \right)$	
			30.9.2012	By Profit & loss A/c	2500
				(loss)	
			31.3.2013	By Depreciation A/c (B)	3,000
				$\left(30000 \times \frac{10}{100} \right)$	
			31.3.2013	By balance c/d	25,500
		68,500			68,500
1.4.2013	To Balance b/d	25,500	31.3.2014	By Depreciation A/c	7,000
1.4.2013	To Bank A/c (C)	40,000		$\left[30000 \times \frac{10}{100} = 3000 (B) \right]$	
				$\left[40000 \times \frac{10}{100} = 4000 (C) \right]$	
			31.3.2014	By Balance c/d	58,500
		65,500			65,500
1.4.2014	To Balance b/d	58,500			

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Dr			Depreciation A/c			Cr.		
Date	Particulars	₹	Date	Particulars	₹			
31.3.2011	To Machinery a/c	5,000	31.3.2011	By Profit & Loss a/c	5,000			
		5,000			5,000			
31.3.2012	To Machinery a/c	6,500	31.3.2012	By Profit & Loss a/c	6,500			
		6,500			6,500			
30.9.2012	To Machinery a/c	2,500	31.3.2013	By Profit & Loss a/c	5,500			
31.3.2013	To Machinery a/c	3,000						
		5,500						
31.3.2014	To Machinery a/c	7,000	31.3.2014	By Profit & Loss ac/	7,000			
		7,000			7,000			

Working Note:

Calculation of profit or loss on sale of "A" machinery

Cost price of "A" machinery on 1.4.2010		50,000
– Depreciation on 31.3.2011	- 5,000	
on 31.3.2012	- 5,000	
on 30.9.2012	- 2,500	12,500
Book value of the machinery		37,500
– Sale price of "A" machinery		35,000
Loss on sale of "A" machinery		2,500
		(10 + 4 = 14)

19. Dr Revaluation Account Cr.

Particulars	Rs.	Particulars	Rs.
To RBD (3000 – 1600)	1400	By stock	4,000
To Machinery	2,500	By Partners capital A/c	2,400
To Motor car	1,400	Ajay - $24000 \times \frac{5}{8} = 1500$	
To O/S power charges	1,110	Vijay - $24000 \times \frac{2}{8} = 600$	
		Sujay - $24000 \times \frac{1}{8} = 300$	
	6,400		6,400

PUE

Dr. Partners' capital A/cs. Cr

Particulars	Ajay	Vijay	Sujay	Particulars	Ajay	Vijay	Sujay
To Revaluation A/c (loss)	1,500	600	300	By Balance b/d	50,000	30,000	10,000
To Goodwill A/c	25,000	10,000	-	By Reserve fund	10,000	4,000	2,000
To Sujay loan A/c	-	-	16,075	By Goodwill A/c	21,875	8,750	4,375
To Balance c/d	55,375	32,150	-				
	81,875	42,750	16,375		81,875	42,750	16,375
				By Balance b/d	55,375	32,150	

Balance sheet of Ajay and Vijay as on 1.04.2013

Liabilities		Rs.	Assets		Rs.
Creditors		15,000	Cash at Bank		5,000
Bills payable		9,000	Bills Receivable		12,600
O/S power charges		1,100	Debtors	30,000	
Sujay's loan a/c		16,075	– RBD (1600+1400)	3000	27,000
Capital accounts			Stock	20,000	
Ajay	55,375		+ Appn.	4,000	24,000
Vijay	32,150	87,525	Machinery	5,000	
			– Dep.	2,500	47,500
			Motor car	14,000	
			– Depn.	1,400	12,600
		1,28,700			1,28,700

20.

(4 + 5 + 5 = 14 Marks)

Dr Realisation A/c Cr

Particulars	₹	Particulars	₹
To Debtors	26,000	By R.B.D on debtors	1,000
To Bills receivable	5,000	By S. Creditors	15,000
To Investments	18,000	By Bills payable	10,000
To Machinery	25,000	By Bank loan	8,000
To Furniture	16,000	By Bank A/c	69,000
To Bank a/c	31,750	Debtors:	24,000
Creditors:	15,000	B/R	4,000
B/P:	10,000	Investments	15,000
	<u>25,000</u>	Unrecorded investments	4,000
Less 5% Dis.	1250	Machinery	<u>22,000</u>
	<u>23,750</u>		

PUE

Bank loan	<u>8,000</u>	1,250	By Preeti's capital a/c		10,000
To Bank A/c (Realisation exp. paid)			By Partners' capital a/c Jyothi Preeti Keerti		10,000 5,000 3,000 2,000
		1,23,000			1,23,000

Dr. Partner's Capital A/C				Cr.			
Particulars	Jyothi	Preeti	Keerti	Particulars	Jyothi	Preeti	Keerti
To Realisation (Furniture taken over)	-	10,000	-	By Balance b/d	20,000	20,000	10,000
To Realisation A/c	5,000	3,000	2,000	By Reserve fund	6,000	3,600	2,400
To Bank A/c	26,000	13,600	12,400	By Profit & Loss A/c	5,000	3,000	2,000
	31,000	26,600	14,400		31,000	26,600	14,400

Dr. Bank A/c		Cr.	
Particulars	₹	Particulars	₹
To Balance b/d	20,000	By Realisation A/c (Liabilities were paid off)	31,750
To Cash A/c	1,000	By Realisation A/c (Exp on realisation paid)	1,250
To Realisation A/c (Assets Realised)	69,000	By Jyoti's Loan A/c	5,000
		By Jyoti's Capital A/c	26,000
		By Preeti's Capital A/c	13,600
		By Keerti's Capital A/c	12,400
	90,000		90,000

21. Journal Entries in the Books of Suguana Mills Ltd.

Date	Particulars	LF	Debit ₹	Credit ₹
1.	Bank A/c Dr To Equity share application A/c (Being the appln. money received on 10,000 eq. shars of Rs. 10 p.s)		1,00,000	- 1,00,000
2.	Equity share application A/c Dr To Equity share capital A/c (Being the application money is transferred to capital a/c)		1,00,000	1,00,000

PUE

3.	Equity share allotment A/c To equity share capital A/c To Securities premium A/c (Being the allotment money due on 10,000 eq. share of 25 p.s including premium)	Dr		2,50,000	2,00,000 50,000
4.	Bank A/c To Equity share allotment A/c (Being allotment money received on 10,000 Eq. share of 25 p.s)	Dr.		2,50,000	2,50,000
5.	Equity share first call A/c To Equity share capital A/c (Being first call money is due on 10,000 Eq. shares of Rs. 30 p.s)	Dr		3,00,000	3,00,000
6.	Bank A/c To Equity share first call A/c (Being first call money received on 10,000 Eq. shares of Rs. 30 p.s)	Dr		3,00,000	3,00,000
7.	Equity share final call A/c To Equity share capital A/c (Being the final call money is due on 10,000 Eq. share of Rs. 40 ps.)	Dr		4,00,000	4,00,000
8.	Bank A/c To Equity share final call A/c (Being the final call received on 9000 Eq. shares of Rs. 40 p.s)	Dr		3,60,000	3,60,000
9.	Equity share capital A/c To Forfeited shares A/c (1000 × 60) To Equity share final call A/c (1000 × 40) (Being the forfeiture of 1000 share due to the non-payment of final call money)	Dr		1,00,000 60,000	40,000
10.	Bank A/c (1000 × 80) Forfeited shares A/c (1000 × 20) To Equity share capital A/c (Being the re-issue of 1000 forfeited shares at Rs. 80 p.s as fully paid up)	Dr.		80,000 20,000	1,00,000

PUE

11.	Forfeited shares A/c To capital reserve A/c (Being the surplus on the forfeited shares is transferred to cap. Res a/c) [60,000 – 20,000] [1000 × 40]	Dr		40,000	40,000
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Total Marks : 14

J.Es: 1, 2, 4, 5, 6, 7, 8 & 11 = Carries 01 Mark each = 08

" : 3, 9 and 10 = Carries 02 Marks each = 06

22.

Vikranth Ltd

Income statement for the year Ended 31st March 2014

Particulars	Note No.	Amount ₹
Revenue (sales)	-	23,00,000
Less: Cost of goods sold	01	7,64,000
Gross profit		15,36,000
Less: Net cash operating expenses & Losses	02	01,00,400
Earnings before interest, tax, depn. & amorisation		14,35,600
Less: Depreciation and Amortisation	08	2,48,600
Earnings Before Interest and Tax		11,87,000
Less: Interest on Borrowing	03	Nil
		11,87,000
Add: Net non operating income		Nil
Earnings before tax		11,87,000
Less: Tax on EBT		Nil
Earing after tax		11,87,000
Less: Dividend and appropriations	04	2,90,556
Retained earinings		8,96,444
Add: Profit and Loss a/c (cr. balance)		3,40,000
Surplus Transferred to Balance shee		12,36,444

Vikrant Ltd

Position statement as at 31st March 2014

Particulars	Note No.	₹	Amount ₹
I. Equity and Liabilities			
1. Shareholders Funds:			
(a) Share capital	05	10,00,000	
(b) Reserves and surplus	06	14,00,444	24,00,444

PUE

2. Non-current Liabilities			
(a) Secured loan	07	Nil	
(b) Unsecured loan	-	Nil	Nil
Total			24,00,444
II. Assets:			
1. Fixed assets	08	22,19,400	
2. Investments	-	-	22,19,400
3. Current Assets, loans & Advance	09	5,65,000	
4. Less: Current liabilities & provisions	10	3,83,956	1,81,044
5. Miscellaneous Expenses & losses	11	-	Nil
Total			24,00,444

Notes to Financial statements of Vikranth Ltd for the year ended 31st March 2014

Note No.	Note Head	Particulars	₹	Amount ₹
1.	Cost of Goods sold	Opening stock	-	3,00,000
		Add: Purchases	7,60,000	
		Less: Purchases returns	20,000	7,40,000
		Add: Direct Expenses		
		Wages	1,20,00	
		Carriage Inwards	4,000	1,24,000
		Less: Closing stock		11,64,000
			4,00,000	
		Total		7,64,000
2.	Net cash operating expenses and losses	Salaries		24,000
		Rent		30,000
		Trade expenses		22,000
		Discount		16,000
		Bad debts	13,000	
		Add: Further bad debts	8,000	
			21,000	
		Less: PDD (old)	6,000	
			15,000	
		Add: PDD (New)	6,000	21,000
	Total		1,13,000	
3.	Interest on Borrowings	Nil	Nil	Nil

PUE

4.	Dividends and appropriations	Proposed dividend			-	2,50,000
		$10,00,000 \times \frac{25}{100}$ CDT on proposed dividend @ 16.2225%				40,556
		Total				2,90,556
5.	Share capital	Authorised, Issued subscribed Called up & paid up capital				
		Equity share capital			-	10,00,000
		Total				10,00,000
6.	Reserves and surplus	General reserve			-	1,64,000
		Surplus Transferred			-	12,36,444
		Total				14,00,444
7.	Secured Loans	Nil			Nil	Nil
		Total				Nil
8.	Fixed Assets:	Particulars	Furniture	P & M	Patents	Total
		Gross block	50,000	24,00,000	18,000	24,68,000
		Less: Depr.	5,000	2,40,000	3,600	2,48,600
		Net Block	45,000	21,60,000	14,400	22,19,400
9.	Current Assets, loan and advances	Debtors			1,08,000	
		Less: Bad debts			8,000	
					1,00,000	
		Less: PDD (New)			6,000	94,000
		Cash at Bank				43,000
		Closing stock				4,00,000
		Bills Receivable				28,000
		Total				5,65,000
10.	Current liabilities and advances	Credits			-	67,400
		Proposed dividend				2,50,000
		CDT on proposed				40,556
		Bills payable				26,000
		Total				3,83,956
11.	Miscellaneous Expenses & Losses	Nil			Nil	Nil
		Total				Nil

PUE

23. Comparative Position Statement of 2012 and 2013

Particulars	2012 ₹	2013 ₹	Absolute increase or decrease	%age of Increase or decrease
I. Liabilities and capitals:				
1. Shareholders Funds:				
(a) Equity share capital	1,20,000	1,85,000	65,000	54.17%
(b) Preference share capital	70,000	95,000	25,000	35.71%
(c) Reserves	30,000	35,000	5,000	16.67%
(d) Profit and Loss A/c	17,500	20,000	2,500	14.29%
Total (1)	2,37,500	3,35,000	97,500	41.05
2. Long Term Loans	Nil	Nil	Nil	Nil
Total (2)	Nil	Nil	Nil	Nil
3. Current Liabilities & provisions				
Bank over draft	35,000	45,500	10,500	30.00%
Creditors	25,000	35,000	10,000	40.00%
Provision for Taxation	15,000	22,500	7,500	50.00%
Proposed dividend	8,500	20,000	11,500	135.29%
Total (3)	83,500	1,23,000	39,500	47.31
(1 + 2B) Liabilities & Capital grand total	3,21,000	4,58,000	1,37,000	42.68
II. Assets:				
1. Fixed Assets	1,40,000	1,95,000	55,000	39.29%
Total (1)	1,40,000	1,95,000	55,000	39.29
2. Investments	Nil	Nil	Nil	Nil
Total (2)	Nil	Nil	Nil	Nil
3. Current Assets loans & adva.				
Stock	40,000	45,000	5,000	12.50%
Debtors	70,000	82,500	12,500	17.86%
Bills Receivable	20,000	50,000	12,500	17.86%
Prepaid Expenses	6,000	8,000	2,000	33.33%
Cash at Bank	40,000	48,500	8,500	21.25%
Cash in hand	5,000	29,000	24,000	160.00%
Total (3)	1,81,000	2,63,000	82,000	45.30
Assets Grand total (1 + 2 +3)	3,21,000	4,58,000	1,37,000	42.68

PUE

24. Sharada Education Trust, Ramanagara

Dr Income and Expenditure A/c for the year ending 31.03.14 Cr.

Expenditure	₹	Income	₹
To Affiliation fee	7,000	By government grants	60,000
To Salary 72,100		By Admission fee	40,000
Add: Outstanding 6,500	78,600	By Subscription 25,000	
To Printing & stationery	11,600	Add: Out standing 7,000	
To Telephone charges	7,500	32,000	
To Postage	2,200	Less: Received	
To Union day function	48,500	is advance 4,000	28,000
To Dep. on Furniture	1,890	By Fees from students	38,500
To Depn. on Books	5,000	By Interest	3,500
To Depn. on Sports materials (12,800 – 6,200)	6,600		
To Surplus (excess of income over expenditure)	1,210		
	1,70,000		1,70,000

Balance Sheet as on 31.3.14

Liabilities	₹	Assets	₹
O/S Salary	6,500	Buildings	1,40,000
Subscription recieved in advance	4,000	Furniture 18,900	
Capital fund		Less: Depn. 1,890	17,010
Life membership fees 18,000		Library Books 55,000	
Donations 2,00,000		Less: Depn. 5,000	5,000
Excess of Income		Sports materials 12,800	
over expenditure 1,210	2,29,210	Less: Depn. 6,600	6,200
		O/S Subscription	7,000
		Cash in hand	9,500
	2,29,210		2,29,710

8 + 6 = 14 Marks

PUE

SECTION - D

(Practical Oriented Question)

25. Dr. Machinery A/c Cr.

Date	Particular	JF	₹	Date	Particular	JF	₹
1.04.12	To Bank A/c		1,00,000	31.3.13	By Depreciation A/c		10,000
				31.3.13	By Balance c/d		90,000
			1,00,000				1,00,000
1.4.13	To Balance b/d		90,000	31.3.14	By Depreciation A/c		9,000
				31.3.14	By Balance c/d		81,000
			90,000				90,000
1.4.14	To Balance b/d		81,000				

26. Dr. Partners' Capital A/c s Cr.

Particulars	Harish	Punith	Particulars	Harish	Punith
To Drawings	12,000	3,000	By Balance b/d	1,00,000	75,000
To Int. on drawing	1,000	800	By Int. on capital	10,000	7,500
To Balance c/d	1,19,000	1,00,700	By Salary	-	6,000
			By Reserve Fund	18,000	16,000
			By Commission	4,000	
	1,32,000	1,04,500		1,32,000	1,04,500
			By Balance b/d	1,19,000	1,00,700

27. Common size Income Statement for the year ending 31.03.12 and 2013

Particulars	31.3.2012		31.3.2013	
	₹	%	₹	%
Sales	5,00,000	100	7,00,000	100
Less: Cost of goods sold	3,25,000	65	5,10,000	72.86
Gross profit (A)	1,75,000	35	1,90,000	27.14
Operating Expenses				
Office expenses	20,000	4	25,000	3.57
Selling expenses	30,000	6	45,000	6.43
Total operating expenses (B)	50,000	10	70,000	10
Operating profit (A – B)	1,25,000	25	1,20,000	17.14

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