M – 2017

Subject Code : **30 (NS)**

0825650

ACCOUNTANCY

(Kannada and English Versions)

Time : 3 Hours 15 Minutes] [Total No. of questions : 27] [Max. Marks : 100

(English Version)

SECTION – A

Answer any **seven** questions. Each question carries **2** marks : **(7 × 2 = 14)**

1) What is Reserves?

2) What is Profit and Loss appropriation account?

3) State any two methods of valuing goodwill.

4) Write the journal entry to close the deceased partner capital account.

5) State any two differences between dissolution of partnership and dissolution of partnership firm.

6) What is authorised capital?

7) What is Dividend Distribution Tax?

8) State any two techniques of financial statement analysis.

9) Give any two examples of non-profit organisations.

10) Mention any two models of database management system.

SECTION – B

Answer **any four** questions. Each question carries **5** marks : **(4 × 5 = 20)**

11) Radha and Rani are partners in a firm. Radha's drawings for the year 2015–16 are given as under :

₹ 5,000 on 01-04-2015

₹ 8,000 on 30-06-2015

₹ 3,000 on 01-12-2015

₹ 2,000 on 31-03-2016

Calculate interest on Radha's drawings at 10% p.a. for the year ending 31-3-2016 under product method.

12) A and B are partners sharing profits and losses in the ratio of 6 : 4. They admit 'C' into the partnership, giving him $\frac{6}{20}$ th share, which he acquires in the proportion of $\frac{4}{20}$ and $\frac{2}{20}$ from A and B.

Calculate the new profit sharing ratio of all the partner's.

13) Sheenu, Shankar and Sharan are partners sharing profits and losses in the ratio of 4 : 3 : 3. Their capital balance on 01-04-2016 stood at ₹ 1,00,000; ₹ 80,000 and ₹ 50,000 respectively.

Sheenu died on 01-10-2016. The partnership deed provides the followings :

a) Interest on capital at 12% p.a.

b) He had withdrawn ₹ 5,000 upto date of death.

c) Sheenu's share of goodwill ₹ 5,000

d) His share of profit upto the date of death on the basis of previous year profits. Previous year profits ₹ 20,000

Prepare Sheenu's Executors account.

14) Karnataka Co. Limited issued 10,000 8% debentures of ₹ 10 each. Payable as follows :

₹ 2 on applications

₹ 4 on allotments

₹ 4 on first and final calls

All the debentures were subscribed and the money duly received.

Pass the journal entries upto the stage of first and final calls made.

15) Calculate Inventory Turnover Ratio and Gross Profits Ratio from the following informations.

Net sales	₹ 4,00,000
Gross profits	₹ 1,00,000
Opening Inventory	₹ 60,000
Closing Inventory	₹ 90,000.

16) From the following ledger balance, prepare Receipts and Payment Account of Shree Sports Club for the year ending 31-3-2016.

	₹
Cash balance	10,000
Subscription to newspapers	3,000
Upkeep of ground	10,000
Proceeds from concerts	10,000
Computers purchased	5,000
Subscriptions Received	40,000
Endowment fund	2,000
Rent received	2,000
Books purchased	5,000

17) Explain the types of data processing system with one example each.

SECTION – C

Answer **any four** questions. Each question carries **14** marks : **(4 × 14 = 56)**

18) A mining company took a lease at a cost of ₹ 50,000 on 1-4-2011 for 5 years. It was decided to depreciate the lease by annuity method, charging interest at 5% p.a. The annuity table shows that Re. 1 can be depreciated in full in 5 years with 5% interest p.a. by charging Re. 0.230975 annually.

Prepare the Lease Account and Interest Account for 5 years ending 31-3-2016.

19) X, Y and Z were partners sharing profits and losses in the ratio of 2 : 2 : 1 respectively. Their Balance Sheet as on 31-3-2016 was as under.

Balance Sheet as on 31-3-2016

Liabilities		₹	Assets		₹
Creditors		25,000	Cash at Bank		10,000
Bills Payable		10,000	Bills receivable		10,000
Reserves fund		20,000	Debtors	40,000	
Profits and loss A/c		3,000	Less : PBD	2,000	38,000
Capitals :			Stock		20,000
X	50,000		Machinery		20,000
Y	30,000		Furniture		10,000
Z	20,000	1,00,000	Buildings		50,000
		1,58,000			1,58,000

Z retired on 1-4-2016 from the business. The following adjustment are to be made :

a) Stock to be increased by 20%.

b) Maintain P.B.D. at 10% on debtors.

c) Depreciate machinery and furniture by 10% each.

d) Buildings to be revalued at ₹ 60,000

e) Goodwill of the firm is created ₹ 25,000 and written off immediately.

Prepare :

i) Revaluation A/c

ii) Partners Capital A/c

iii) Balance Sheet as on 1-4-2016

20) Raju and Ravi are partners sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as on 31-3-2016 was as follows :

Balance sheet as on 31-3-2016

Liabilities		₹	Assets	₹
Creditors		20,000	Cash in hand	5,000
Bills payable		10,000	Bills Receivable	15,000
Bank loan A/c		15,000	Debtors	20,000
Raju's loan A/c		5,000	Motor car	10,000
General Reserves		10,000	Machinery	30,000
Capitals :			Furniture	15,000
Raju	50,000		Buildings	50,000
Ravi	40,000	90,000	Profits and loss A/c	5,000
		1,50,000		1,50,000

On the above date the firm was dissolved. The assets realised as follows :

a) Buildings ₹ 60,000, Machinery ₹ 28,000, Bills Receivable ₹ 14,000. Debtors ₹ 19,000 and unrecorded assets realised ₹ 20,000.

b) Motor car is taken over by Raju at book value.

c) Furniture is taken over by Ravi for ₹ 13,000.

d) Creditors and Bills payable were paid off at a discount of 5% and Bank loan paid in full.

e) Dissolution expenses ₹ 2,000.

Prepare :

i) Realisation A/c

ii) Partners capital A/c

iii) Cash A/c

21) Sagar Company Ltd. issued 20000 shares of ₹ 100 each, at a discount ₹ 10 per share. The amount payable as follows :

On applications	₹ 20
On allotments	₹ 20
On I^{st} call	₹ 30
On Final call	₹ 20

All the shares were subscribed and the money duly received except the final call on 1000 shares. The directors forfeited these shares and re-issued them as fully paid at ₹ 80 per share. Pass the Journal entries related to issued shares, forfeited and re-issued.

22) From the following trial balance of TATA Co. Ltd. as on 31-3-2016. Prepare the financial statement in vertical form.

Trial Balance as on 31-3-2016

Sl. No.	Name of the Accounts	Debit ₹	Credit ₹
1.	Equity share capital (Share of ₹ 100 each)		8,00,000
2.	Purchases and Sales	4,00,000	9,50,000
3.	Goodwill	3,00,000	–
4.	Trade Receivables	2,50,000	–
5.	Opening Inventory	60,000	–
6.	Patents	50,000	–
7.	Surplus 1-4-2015	–	75,000
8.	Machinery	2,60,000	–
9.	Buildings	2,50,000	–
10.	8% Debentures	–	2,00,000
11.	Cash and cash equivalents	2,00,000	–
12.	Trade payable	–	1,80,000
13.	Salaries and Wages	1,75,000	–
14.	Freights	50,000	–
15.	Rent, Rates and Taxes	60,000	–
16.	Interest on debentures	16,000	–
17.	Power, Fuel expenses	50,000	–
18.	General reserves	–	1,00,000
19.	Advance given to employee's	84,000	–
20.	Furniture	1,00,000	–
		23,05,000	23,05,000

Adjustments :

a) Closing inventories ₹ 1,45,000

b) Create provision for taxation ₹ 30,000

c) Transfer to General Reserves ₹ 40,000

d) Directors proposed dividend ₹ 50,000

e) Provide depreciation on machinery at 10% p.a. and furniture at 5% p.a.

f) D.D.T. at 16.995% on dividend.

23) From the following balance sheet of ABC Co. Ltd. as on 31-3-2015 and 31-3-2016. Prepare common size Balance Sheet.

Balance Sheet as on 31-3-2015 and 2016.

Liabilities	31-3-15	31-3-16	Assets	31-3-15	31-3-16
	₹	₹		₹	₹
Equity share capital	5,00,000	6,00,000	Buildings	3,00,000	4,00,000
General Reserves	2,00,000	3,00,000	Machinery	2,50,000	3,00,000
P & L A/c	1,00,000	50,000	Goodwill	2,00,000	2,50,000
Debentures	4,00,000	3,00,000	Current Investment	2,60,000	2,00,000
Trade payables	2,00,000	2,50,000	Inventories	40,000	75,000
Short-term provisions	50,000	75,000	Trade Receivables	3,75,000	2,90,000
			Cash in hand	10,000	20,000
			Cash at Bank	15,000	40,000
	14,50,000	15,75,000		14,50,000	15,75,000

24) Sun Club Dharwad was started from 1-4-2015. Its Receipts and Payments Account for the year ending 31-3-2016 was as follows :

Receipts and Payments A/c for the year ending 31-3-2016.

Dr. Receipts	₹	Payments	Cr. ₹
To Subscription	70,000	By Salary	26,500
To Interest	11,000	By Tournament expenses	20,000
To Tournament fund	30,000	By Telephone charges	6,500

Dr. Receipts	₹	Payments	Cr. ₹
To Games fees	25,000	By Games expenses	10,000
To Life membership fees	40,000	By Sports materials	20,000
To Donation	2,00,000	By Buildings	2,00,000
To Entrance fees	1,00,000	By Furniture	30,000
		By Office expenses	10,000
		By Investments	1,00,000
		By Balance C/d	53,000
	4,76,000		4,76,000

Adjustments :

a) O/S salaries ₹ 2,000.

b) Donations and Entrance fees are capitalised.

c) Sports materials on 31-3-2016 were valued at ₹ 8,500.

d) Depreciate Buildings and Furniture by 10%

e) O/S subscription ₹ 5,000 and subscription received in advance ₹ 3,000.

Prepare :

i) Income and Expenditure A/c and

ii) Balance sheet.

SECTION – D

(PRACTICAL ORIENTED QUESTIONS)

Answer **any two** questions. Each question carries **5** marks : **(2 × 5 = 10)**

25) Prepare a Machinery account for two years with imaginary figures under fixed installment method.

26) Prepare current account of two partners under fixed capital system with five imaginary figures.

27) Prepare the comparative Income statement (Comparative Statement of Profit and Loss) for two year with five imaginary figures.