M – 2019

0699938

Subject Code : 30 (NS)

ACCOUNTANCY

(Kannada and English Versions)

Time : 3 Hours 15 Minutes] [Total No. of questions : 35] [Max. Marks : 100

(English Version)

Instructions : 1. *All the sub questions of Section – A should be answered continuously at one place.*

2. *Provide working notes wherever necessary.*

3. *15 minutes extra has been allotted for candidates to read the questions.*

4. *Figures in the right hand margin indicate full marks.*

SECTION – A

Answer any **eight** questions. Each question carries **1** mark : **(8 × 1 = 8)**

1) Government grant is treated as ____________ receipt.

2) When the partners current accounts are prepared in partnership firm?

3) If the amount brought by a new partner is more than his share in capital, the excess is known as ____________

4) Give the formula for calculation of new profit sharing ratio on retirement of a partner.

5) What is buy-back of shares?

6) Debentures cannot be redeemed out of:
   a) profits b) provisions
   c) capital d) all the above

7) Financial statements generally include.
   a) comparative statement
   b) fund flow statement
   c) income statement and balance sheet
   d) none of the above

8) Financial analysis is used only by the creditors. State True / False.

9) Give one example for current liability.

10) Expand ICAI.

SECTION – B

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

11) State any two features of Receipts and Payments account.

12) Name any two contents of partnership deed.

13) Goodwill of the firm is valued at two years purchase of the average profit of last four years. The total profits for last four years is ₹ 40,000.

    Calculate the goodwill of the firm.

14) Give the Journal entry for the asset taken over by a partner in case of dissolution of partnership firm.

15) What is forfeiture of shares?

16) Give the meaning of financial statements.

17) List out any two techniques of financial statement analysis.

18) Mention any two activities which are classified as per AS-3.

SECTION – C

Answer **any four** questions. Each question carries **6** marks : **(4 × 6 = 24)**

19) Yashas and Abhi are partners in a firm, sharing profits and losses in the ratio of 2:1. Yashas withdrew the following amounts during the year 2017-18 are given as under:

    ₹ 4,000 on 1.6.2017

    ₹ 10,000 on 30.9.2017

    ₹ 6,000 on 30.11.2017

    ₹ 12,000 on 1.1.2018

    Interest on drawings is to be charged at 8% p.a.

    Calculate the amount of interest to be charged on Yashas drawings for the year ending 31.3.2018.

20) Swarna, Swapna and Vidya are partners in a firm sharing profits and losses in the ratio of 4:3:2. Vidya retires from the firm. Swarna and Swapna agreed to share equally in future.

    Calculate the gain ratio of Swarna and Swapna.

21) Shobha, Sudha and Rathna are partners. Sharing profits and losses in the ratio of 2:2:1.

Their Balance sheet as on 31.3.2018 was as follows:

Balance Sheet as on 31.3.2018

Liabilities		₹	Assets	₹
Sundry Creditors		30,000	Cash in hand	10,000
Capitals :			Debtors	25,000
Shobha	15,000		Stock	40,000
Sudha	25,000		Plant and Machinery	40,000
Rathna	30,000	70,000		
Reserve fund		15,000		
		1,15,000		1,15,000

Rathna died on 30.06.2018. Her executor's should be entitled to:

a) Her capital on the date of last Balance sheet.

b) Her share of reserve fund on the date of last Balance sheet

c) Her share of profit up to the date of death, on the basis of previous year's profit. Previous year profit is ₹ 20,000.

d) Her share of goodwill. Goodwill of the firm is valued at ₹ 40,000

e) Interest on capital at 10% p.a.

You are required to ascertain amount payable executors of Rathna by preparing Rathna's capital account.

22) Ganesh co., ltd., purchased assets of the book value of ₹ 99,000 from another firm. It was agreed that purchase consideration be paid by issuing 11% debentures of ₹ 100 each. Assume debentures have been issued.

a) At par

b) At discount of 10% and

c) At a premium of 10%

Record necessary Journal entries.

23) From the following information, prepare statement of profit and loss for the year ended 31.3.2018 as per schedule – III of the companies Act, 2013.

Particulars	₹
Revenue from operations	5,00,000
Purchase of goods	3,00,000
Salaries to employees	40,000
Leave encashment	10,000
Rent and Taxes	30,000
Repairs to Machinery	20,000
Tax	30%

24) Calculate current ratio and Liquid ratio from the following information:

Particulars	₹
Current liabilities	50,000
Trade receivables	30,000
Cash in hand	10,000
Cash at Bank	10,000
Inventories	20,000
Advance Tax	10,000

25) Mangala ltd., arrived at a Net income of ₹ 5,00,000 for the year ended 31.3.2018. Depreciation for the year was ₹ 2,00,000. There was a profit of ₹ 50,000 on assets sold which was transferred to statement of profit and loss. Trade receivables increased during the year ₹ 40,000 and Trade payables also increased by ₹ 60,000.

Compute cash flow from operating activities by the indirect method.

SECTION – D

Answer **any four** questions. Each question carries **12** marks : **(4 × 12 = 48)**

26) From the following Receipts and payments account and Balance sheet of union club, prepare Income and Expenditure account for the year ended 31.3.2018 and the Balance sheet as on that date.

Balance Sheet as on 31.3.2017

Liabilities	₹	Assets	₹
Outstanding salary	1,000	Cash in hand	3,500
Capital fund	39,900	Books	6,200
		Outstanding subscription	3,600
		Furniture	2,600
		Building	25,000
	40,900		40,900

Receipts and payments a/c for the year ended 31.3.2018

Dr. Cr.

Receipts	₹	Payments	₹
To Balance b/d	3,500	By General expenses	900
To Subscription	75,000	By Salary	16,000
To Entrance fees	2,000	By Postage	1,300
To Rent from use of Hall	7,000	By Electricity charges	7,800
To Donation	10,000	By Furniture	26,500
To Sale of News paper	400	By Books	13,000
To Life membership fee	7,300	By Newspaper	600
		By Meeting expenses	7,200
		By T.V. set	16,000
		By Balance c/d	15,900
	1,05,200		1,05,200

Additional information:

a) Subscription outstanding on 31 March, 2018 ₹ 10,000

b) Salary outstanding on 31 March, 2018 ₹ 1,000

c) Depreciate furniture and Books at 10% each (only on opening Balances)

d) Donation to be capitalised

e) Electricity charges paid in Advance ₹ 650.

27) Given below is the Balance sheet of Kumar and Rajashekar, who are carrying on partnership business as on 31 March, 2018. Kumar and Rajashekar share profits and losses in the ratio of 2:1.

Balance sheet of Kumar and Rajashekar as on 31.3.2018

Liabilities		₹	Assets	₹
Bills payable		10,000	Cash in hand	10,000
Sundry creditors		58,000	Cash at Bank	40,000
Outstanding expenses		2,000	Sundry debtors	60,000
Capitals :			Stock	40,000
Kumar	1,80,000		Plant and Machinery	1,00,000
Rajashekar	1,50,000	3,30,000	Building	1,50,000
		4,00,000		4,00,000

Shamanth is admitted as a partner on the date of the Balance sheet on the following terms.

a) Shamanth bring in ₹ 1,00,000 as his capital and ₹ 60,000 as his share of goodwill for 1/4th share in profits.

b) Plant is to be appreciated to ₹ 1,20,000 and the value of Building is to be appreciated by 10%

c) Stock is found over valued by ₹ 5,000

d) A provision for Doubtful debts is to be created at 5% on Debtors. Prepare Revaluation account, partners capital accounts and Balance sheet of the constituted firm after admission of the new partner.

28) Rekha and Chetana sharing profits as 3:1 and they agree upon dissolution. The balance sheet as on 31 March, 2018 is as under:

Balance sheet of Rekha and Chetana as on 31 March, 2018

Liabilities		₹	Assets	₹
Loan		2,400	Cash at Bank	5,000
Creditors		3,600	Stock	9,000
Capital :			Furniture	3,200
Rekha	22,000		Debtors	14,000
Chetana	13,600	35,600	Plant and Machinery	10,400
		41,600		41,600

Additional information:

a) Rekha took over plant and Machinery at an agreed value of ₹ 12,000

b) Stock and furniture were sold for ₹ 8,400 and ₹ 2,780 respectively

c) Debtors were took over by Chetana at ₹ 13,000

d) Liabilities were paid in full by the firm

e) Realisation expenses were ₹ 320.

Prepare:

1) Realisation account

2) Partners capital accounts and

3) Bank account.

29) Vigneshwara Trading Co., Ltd., issued 10,000 ordinary shares of ₹100 each, at a premium of ₹ 10 per share. The amount payable is as follows:

on Application ₹ 20

on Allotment ₹ 40 (including premium)

on first and final call ₹ 50

All the shares were subscribed and the money duly received except the first and final call on 500 shares. The directors forfeited there shares and re-issued them as fully paid at ₹ 80 per share.

Pass the necessary Journal entries in the books of the company.

30) Give the Journal entries for issue of Debentures for the following cases in the Books of Reliance co., Ltd.

a) Issue of ₹ 2,00,000, 9% Debentures of ₹100 each at par and redeemable at par

b) Issue of ₹ 2,00,000, 10% Debentures of ₹100 each at a premium of 5% but redeemable at par

c) Issue of ₹ 2,00,000, 12% Debentures of ₹100 each at a discount of 5%, redeemable at par

d) Issue of ₹ 2,00,000, 8% Debentures of ₹100 each at par but redeemable at a premium of 5%.

31) From the following information, prepare comparative Balance sheet of Honda company Ltd.,

Particulars	31.3.2017	31.3.2018
	₹	₹
Share capital	4,00,000	5,00,000
General reserve	50,000	60,000
Secured loans	15,000	20,000
Other current liability	10,000	5,000
Trade payables	40,000	50,000
Buildings	2,00,000	2,50,000
Inventory	1,00,000	90,000
Machinery	1,50,000	2,00,000
Trade receivables	50,000	75,000
Cash at Bank	15,000	20,000

32) From the following particulars, calculate:

a) Inventory turn over ratio

b) Trade receivable turn over ratio

c) Trade payable turn over ratio

d) Gross profit ratio

e) Operating ratio

f) Net profit ratio.

Particulars	₹
Revenue from operations	10,00,000
Gross profit	2,00,000
Average inventory	1,00,000
Net credit revenue from operations	6,00,000
Average trade receivables	1,50,000
Net credit purchases	5,00,000
Average Trade payables	2,50,000
Operating expenses	1,00,000
Net profit	1,00,000

SECTION – E

(PRACTICAL ORIENTED QUESTIONS)

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

33) Write two partners capital accounts under fluctuating capital system with 5 imaginary figures.

34) Prepare Executor's loan account with imaginary figures showing the repayment in two annual equal installments along with interest.

35) Name the major heads under which the following items will be presented in the Balance sheet of a company

a) Share capital

b) Debentures

c) Trade payables

d) Furniture

e) Inventory.