

2022
ACCOUNTANCY

Full marks : 70

Time : 3 hours

General instructions:

- i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*
- ii) *The question paper consists of 24 questions.*
- iii) *Marks are indicated against each question.*
- iv) *General choice has been provided in some questions.*

N.B: *Check to ensure that all pages of the question paper is complete as indicated on the top left side.*

1. What is meant by entrance fee? 1
2. Give two examples of non-cash items. 1
3. State the nature of Profit and Loss Adjustment Account. 1
4. Write two rights of a new partner. 1
5. What is meant by Realisation Account? 1
6. Write any two grounds under which the firm can be dissolved by Court. 1
7. Give the meaning of 'Premium on Redemption of Debenture Account'. 1
8. From the following information, compute the advance subscription as on 31.12.2021 3
 - a) A club has 39 members, each paying annual subscription of ₹1,000
 - b) Subscription received during 2021 ₹50,000
 - c) Subscription received in advance as at 31.12.2020 ₹10,000
 - d) Subscription outstanding as at 31.12.2021 ₹9,000
 - e) Subscription outstanding as at 31.12.2020 ₹18,000
 - f) Subscription of ₹7,000 are still in arrears for the year 2020
9. List any three features of Receipts and Payments Account. 3
10. Explain three methods of redemption of debentures. 3
11. Write any three objectives of financial analysis. 3

12. From the following information, calculate revenue from operations. 3
- | | |
|------------------|-----------|
| Sale of products | ₹1,35,000 |
| Sale of services | ₹15,000 |
| Trade commission | ₹30,000 |
| Excise duty | ₹90,000 |

Answer **any three (3)** from the following questions 3x6=18

13. X and Y are partners in a firm. X is entitled to a salary of ₹2,000 per month together with a commission of 10% of net profit before charging any commission. Y is entitled to a salary of ₹5,000 per annum together with a commission of 10% net profit after charging all commissions. Net profit before charging any commission for the year was ₹55,000.
Prepare Profit and Loss Appropriation Account.
14. Write any six points of differences between Revaluation Account and Realisation Account.
15. Distinguish between a share and a debenture on six bases.
16. Zee Ltd. issued 10,000, 12% debentures of ₹100 each at 6% discount, redeemable at 10% premium after 5 years, payable as ₹60 on application and the balance on allotment. This issue was over-subscribed by 1000 debentures and allotment was made on prorata basis. All money was duly received.
Journalise these transactions.
17. From the following information, Prepare Comparative Balance Sheet.

	31.3.2020	31.3.2021
	₹	₹
Shareholders' funds	7,20,000	13,32,000
Non-current Liabilities	3,60,000	3,60,000
Current Liabilities	1,20,000	1,08,000
Non-current Assets	8,40,000	15,12,000
Current Assets	3,60,000	2,88,000

18. From the following information, Calculate
(i) Gross Profit Ratio (ii) Working Capital Turnover Ratio (iii) Proprietary Ratio
- | | |
|--|--------------------------|
| Paid up capital ₹8,00,000 | Current Assets ₹5,00,000 |
| Current Liabilities ₹2,90,000 | 9% Debentures ₹3,40,000 |
| Cash Revenue from Operations 75% of Credit Sales | |
| Credit Revenue from Operations | ₹3,00,000 |
| Cost of Revenue from Operations | ₹3,80,000 |

Answer **any three (3)** from the following questions:

3x10=30

19. The Balance Sheet of P and S sharing profits and losses in the ratio of 3:2 is given below:

Liabilities	₹	Assets	₹
Bank over-draft	20,000	Cash	8,000
Creditors	30,000	Debtors	10,000
Provision for doubtful debts	1,000	Bills receivable	60,000
General reserve	15,000	Stock	50,000
V's loan	20,000	Building	90,000
Capitals Account		Land	1,48,000
P	1,00,000		
S	1,80,000		
	3,66,000		3,66,000

They admitted V as a new partner on the following terms:

- V will get $\frac{1}{8}$ th share in the profits of the firm.
- V's loan will be converted into his capital.
- The goodwill of the firm was valued at ₹80,000 and V brought his share of goodwill premium in cash.
- Provision for doubtful debts was to be made equal to 5% of the debtors.
- Stock to be depreciated by 7%, Land to be appreciated by 10%

Prepare the Revaluation Account, Capital Accounts of P, S and V and the Balance Sheet of the new firm.

20. The Balance Sheet of A, B & C who are partners in a firm sharing profits according to their capitals was as under

Liabilities	₹	Assets	₹
Creditors	21,000	Buildings	1,00,000
A's Capital	80,000	Machinery	50,000
B's Capital	40,000	Stock	18,000
C's Capital	40,000	Debtors	20,000
General reserve	20,000	Less: Provision	<u>1,000</u>
		Cash at bank	14,000
	2,01,000		2,01,000

On that date, B decided to retire from the firm and was paid for his shares in the firm subject to the following:

- Building to be appreciated by 20%.
- Provision for doubtful debts to be increased to 15% on debtors.
- Machinery to be depreciated by 20%.

- iv) Goodwill of the firm is valued at ₹72,000 and the retiring Partner's share is adjusted through the capital accounts of remaining partners.
- v) The capital of the new firm be fixed at ₹1,20,000.
Prepare Revaluation Account, Partner's Capital Account and the Balance Sheet after retirement of B.
21. A Limited issued to the public for subscription 40,000 shares of ₹10 each at par payable as ₹2 each on application, allotment and 1st call and the balance on the final call. Applications were received for 60,000 shares and allotment was made prorata to 80% applicants. R to whom 1600 shares were allotted paid only the application money and S who had applied for 2400 shares paid the entire call money due along with the allotment money. Pass the necessary journal entries to record the above transactions assuming that Calls-in-Arrears Account is maintained
22. Define share capital.State three purposes of securities premium. Write any six features of debentures. (1+3+6=10)
23. From the following information, prepare a Cash Flow Statement:

Balance Sheets as at 31.3.2020 & 31.3.2021

Particulars	31.3.2021 ₹	31.3.2020 ₹
I. Equity & Liabilities		
i) Shareholders' Funds:		
- Share Capital	8,50,000	4,60,000
- Reserves & Surplus	1,70,000	2,40,000
ii) Non Current Liabilities(10% debentures)	1,80,000	2,00,000
iii) Current Liabilities	-	-
Total	12,00,000	9,00,000
II. Assets		
i) Non Current Assets		
-Tangible Fixed Assets	7,00,000	5,00,000
ii) Current Assets		
- Inventories	2,50,000	2,10,000
- Trade Receivables	1,90,000	1,40,000
- Cash & Cash Equivalents	60,000	50,000
Total	12,00,000	9,00,000

Additional information: During the year, a machine costing ₹70,000 (Depreciation provided there on ₹10,000) was sold for ₹50,000. Dividend paid ₹80,000. Depreciation provided during the year ₹20,000.

24. From the following information, prepare the Cash Flow Statement.

BALANCE SHEETS
as at 31st March, 2019 and 31st March, 2020

Particulars	31.03.2020 ₹	31 .03.2019 ₹
I. Equity & Liabilities		
i) Shareholders' Funds:		
- Share Capital	20,00,000	15,00,000
- Reserve and Surplus (Profit & Loss A/C)	4,00,000	2,00,000
ii) Non-Current Liabilities	-	-
iii) Current Liabilities		
- Other Current Liabilities	4,00,000	3,00,000
-Short term provision(Proposed Dividend)	2,00,000	1,00,000
Total	30,00,000	21,00,000
II. Assets		
i) Non Current Assets		
-Tangible Fixed Assets	18,00,000	12,00,000
-Intangible Fixed Assets(Goodwill)	-	1,00,000
ii) Current Assets		
- Inventories & Trade Receivables	12,00,000	8,00,000
Total	30,00,000	21,00,000

Additional information:

- i) During the year ₹80,000 depreciation was charged on fixed assets.
- ii) A piece of machine included in fixed assets costing ₹20,000 on which depreciation charged was ₹8,000 was sold for ₹10,000.
