PART A : ACCOUNTING FOR NOT-FOR-PROFIT ORGANISATIONS, PARTNERSHIP FIRMS AND COMPANY ACCOUNTS

Note: ` denotes rupee………………..e.g. `2,000 means Rs. 2,000

1. Which types of transactions are recoded in Receipts and Payments Account? **(1)**

2. List Any four contents of a "Partnership Deed" ? **(1)**

3. What do you mean by Super Profit? **(1)**

4. What do you mean by Gaining Ratio? **(1)**

5. What is meant by " Private Placement of shares? **(1)**

6. Distinction between Income and Expenditure A/c and Receipts and payments A/c. **(3)**

7. Pass necessary journal entries in the books of the company in following cases for redemption of 1,000 12% Debentures of ` 10 each issued at par:

a). Debentures redeemed at par by conversion into 12% Preference shares of ` 100 each.
b). Debentures redeemed at a premium of 10% by conversion into Equity shares issued at par.
c). Debentures redeemed at a premium of 10% by conversion into Equity shares issued at a premium of 25%. **(3)**

8. Rohit Ltd. purchased assets form Rohan and Co., for ` 3,50,000. A sum of ` 75,000 was paid by the means of a Bank draft and for the balance due Rohit Ltd. issued Equity shares of Rs. 10 each at a premium of 10%. Journalise the above transactions in the books of the company. **(3)**

9. P Ltd. issued 6,000 12% Debentures of ` 100 each at a Premium of 5%, redeemable at 6% premium. The debentures to be redeemed as follows:

1st Year: NIL; 2nd Year : ` NIL;
3rd Year : ` 4,00,000; 4th Year : ` 2,00,000.

Show the Loss on Issue of Debentures Account for the period of 4 years on the books of the Company. **(4)**

10. The partners of as firm distributed the profits of a firm for the year ending 31st March, 2004, ` 90,000 in the ratio of 3:2:1 without providing for the following adjustments:

a). A & B entitled to a salary of ` 1,500 each p.a.
b). B was entitled to a commission of ` 4,500.
c). B & C had guaranteed a minimum profit of `. 35,000 p.a. to A.
d). Profits were to be shared in the ratio of 3:3:2.

Pass necessary journal entry for the above adjustments in the books of the firm. **(4)**

11. (a). R and T partners in a firm sharing profits in the ratio of 3:2. S Joins the firm. R surrenders 1//4th of his share & T 1/5th of his share in favour of S. Find the new profit sharing ratio.

(b). P, Q and R are equal partners in a firm. Goodwill has been valued at ` 36,000. On R's retirement from the firm P and Q agree to share profits in the ratio of 3:2. Pass necessary journal entry for treatment of goodwill. **(2+2=4)**

12. A, B and C partners in a firm sharing profits in the ratio of 5:3:2. On 31st March, 2004 their Balance Sheet was as under:

Liabilities	`	Assets	`
Creditors	11,000	Building	20,000
Reserves	6,000	Machinery	30,000
A's Capital 30,000		Stock	10,000
B's Capital 25,000		Patents	11,000
C's Capital 15,000	70,000	Debtors	8,000
		Cash	8,000
Total	**87,000**	**Total**	**87,000**

A died on 1st October, 2004. It was agreed between his Executor and the remaining partners that:

a). Goodwill to be valued at 2½ years purchase of the average profits of the previous four years which were: 2001: ` 13,000; 2002: ` 12,000; 2003 ` 20,000 & 2004: `. 15,000.
b). Patents be valued at ` 8,000; Machinery ` 28,000; and Building at ` 25,000.
c). Profit for the year 2004-05 be taken as having accrued at the same rate as that of the previous year.
d). Interest on Capital be provided at 10% p.a.
e). Half of the amount due to A to be paid immediately to the executor and the balance transferred to his (executor) Loan A/c.

Prepare A's Capital A/c and A's Executor's A/c as on 1st October, 2004. **(6)**

{Amt trf. to A's Executor ` 57,000 }

13. (a). Y Ltd. issued 10,000, 9% debentures of ` 100 each on 1st July, 2006 at par, redeemable at 10% premium out of profits. Pass necessary journal entries at the time of issue, & redemption of debentures in lump sum at the end of 5th year.

(b). Z Ltd. issued had 5,000, 12% debentures of Rs. 100 each on 1st April, 2010. The company purchased 2,000 debentures @ ` 92.50 per debenture for immediate cancellation. Journalise. **(4+2=6}**

14. The Receipts and Payments Account of Delhi Football Club for the year ended 31st March, 2010:

Receipts	`	Payments	`
Balance b/d	48,000	Purchase of balls	80,000
Subscriptions Received	2,46,000	Tournament Fees	10,000
Interest	2,000	Affiliation Fees	2,000
Sale of furniture	10,000	Rent	5,000
Donations for club building	60,000	Refreshment Expenses	4,000
		Traveling Expenses	30,000
		Investments (at face value)	1,00,000
		Salary	12,000
		Office Expenses	8,000
		Balance c/d	1,15,000
	3,66,000		**3,66,000**

Prepare club's Income and Expenditure A/c for the year ended 31st March, 2010 after taking the following information into account:

a). Subscription received include ` 10,000 for the year 2008-09 and ` 8,000 for the year 2010-11, ` 16,000 are still outstanding as subscription for the year 2009-10.
b). Book Value of furniture sold was ` 14,000.
c). Interest earned but not received amounted to ` 500.
d). Rent ` 6,000 due for 2009-10 & ` 1,000 for 2008-09.
e). Salary outstanding for the year 2009-10 ` 5,000
f). There is a stock of balls with the club ` 4,000 on 31st March, 2010.

[Surplus Rs. 85,500; OCF Rs. 71,000; B/S Rs. 2,35,500]

15. AB Ltd. invited applications for 1,00,000 equity shares of Rs. 10 each, payable as: Rs. 2 on application; Rs. 3 on Allotment and the balance on first an final call.
Applications were received for 3,00,000 shares and the Shares were allotted on a pro-rata basis. The excess Application money was to be adjusted against allotment only. M, a shareholder, who had applied for 3,000 shares failed to pay the call money and his shares were accordingly forfeited and re-issued at Rs. 8 per share as fully paid. Pass necessary journal entries. **(8)**

Or

*Nokia India Ltd. issued 30,000 shares of Rs. 10 each payable as under:

` 3.00 on application — Payable on 1st January,2004;
` 2,00 on allotment — Payable on 1st March,2004;
` 2.50 on First Call — Payable on 1st June, 2004;
` 2.50 on Final Call — Payable on 1st November,2004.

Applications were received for 50,000 shares and the allotment were made as under :
To applicants for 26,000 shares…………….Full;
To applicants for 18,000 shares…………….4,000;
To applicants for 6,000 shares……………..Nil.

Excess money received on application was utilized towards allotment and subsequent calls. Interest on call in advance was paid @ 6% p.a. Journalise the above transactions, assuming all sums due were received. **(8)**

16. The Balance Sheet of A, B and C who are partners in a firm sharing profits according to their capitals as on 31st December, 2004 was as under:

Liabilities	`	Assets		`
Creditors	21,000	Building		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: PDD	1,000	19,000
		Cash at Bank		14,000
Total	**2,01,000**	**Total**		**2,01,000**

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

a). Building to be appreciated by 20%.
b). Provision for Bad Debts to be increased to 15% on Debtors.

c). Machinery to be depreciated by 20%.

d). Goodwill of the firm is valued at ` 72,000 & the retiring partner's share is adjusted through the Capital A/cs of remaining partners.

e). The Capital of the new firm be fixed at ` 1,20,000.

Prepare Revaluation Account, Capital Accounts of the partners and eh Balance Sheet after retirement of B.

[Rev. Profit ` 8,000; Amt. paid to B ` 65,000; B/S ` 1,95,000] (8)

Or

Usha and Asha are partners in a firm sharing profits in the Ratio of 3:2. Their Balance Sheet on 31st March, 2004 was as follows:

Liabilities	`	Assets		`
Creditors	27,000	Cash		24,000
General Reserve	18,000	Debtors	48,000	
Bills Payable	5,000	Less: PDD	4,800	43,200
Capitals:	40,000	Stock		30,000
Usha	35,000	Patents		7,400
Asha		Building		20,400
Total	**1,25,000**	**Total**		**1,25,000**

Neelam is admitted into the Partnership giving her 1/5th Share in the profits. Neelam to bring in Rs. 30,000 as her capital and her share of Goodwill in cash subject to the following terms:

a). Goodwill of the firm to be valued at ` 50,000.

b). Stock to be reduced by 10% and Provision for Bad Debts be reduced by ` 2,400.

c). Patents are valueless.

d). There was a claim against the firm for damages amounting to ` 2,000. The claim has now been accepted.

Prepare Revaluation A/c; Partners Capital Accounts and the Balance Sheet of the new firm.

[Rev. Loss ` 8,000; Amt. paid to B ` 65,000; B/S ` 1,57,000]

PART-B (ANALYSIS OF FINANCIAL STATEMENTS)

17. How are the various activities classified to AS-3(Revised) while preparing the Cash Flow Statement **?** **(1)**

18. What do you mean by Cash Flow statement ? **(1)**

19. Give two examples each of Non-current assets and Non-current liabilities**.** **(1)**

20. Give the format of the Balance Sheet of a Company (Main headings only), as per the requirement of Schedule VI of the companies Act, 1956. **(3)**

21. ` 2,00,000 is the cost of goods sold, inventory turnover 8 times; Stock at the beginning is 1.5 times more than the Stock at the end. Calculate the values of Opening and Closing Stock. **{ O.S ` 14,285; C.S. ` 35,713 } (3)**

22. **(a).**The ratio of Current Assets (` 6,00,000) to Current Liabilities (` 4,00,000) is 1.5:1. The accountant of the firm is interested in maintaining a Current Ratio of 2:1 by off a part of the Current Liabilities. Compute the amount of Current Liabilities that should be paid, so that the Current Ratio at the level of 2:1 may be maintained.

(b) Compute the Gross Profit Ratio from the following information:

Sales ` 4,00,000 and gross profit 25% on cost.

[(a). **CL be paid ` 2,00,000;** (b). **GPR: 20%] {2+2=4}**

23. X Ltd. made a profit of ` 1,00,000 after charging Depreciation of ` 20,000 on assets and a transfer to General Reserve of ` 30,000. The goodwill written off was ` 7,000 and the gain on sale of Machinery was ` 3,000. The other information available to you (changes in the value of current Assets and current Liabilities) is as follows:

At the end of the year Debtors showed an increase of ` 6,000; Creditors an increase of ` 10,000; Prepaid Expenses an increase of ` 200; Bills Receivable a decrease of ` 3,000, Bills payable a decrease of ` 4,000 and outstanding Expenses a decrease of ` 2,000. Ascertain the cash flow form the operating activities. **{ CFOA: ` 1,54,800 } (6)**

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