



M - 2018

Subject Code : 30 (NS)

ACCOUNTANCY

(Kannada and English Versions)

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

SECTION - A

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

- 1) State any two causes of Depreciation.
- 2) What is Partnership Deed?
- 3) What is Goodwill?
- 4) Write the journal entry to close Revaluation account when there is profit.
- 5) What is Realisation account?
- 6) What do you mean by Issue of shares at premium?
- 7) Give the meaning of Interim Dividend.
- 8) List out any two techniques of Financial statement analysis.
- 9) Give any two examples of Non-profit organisation.
- 10) Mention any two types of information.

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

- 11) Shiva and Shankar are partners in a firm. Shiva's drawings for the year 2016-17 are given as under.

₹ 5,000 on 01-05-2016

₹ 7,000 on 31-08-2016

₹ 3,000 on 31-12-2016

₹ 4,000 on 01-02-2017

Calculate interest on drawings at 12% p.a. for the year ending 31-03-2017 under product method.

- 12) Ankit, Suchit and Chandru are partners in a firm sharing profits and losses in the ratio of 4:3:2. Ankit retires from the firm. Suchit and Chandru agreed to share in the ratio of 5:3 in future.

Calculate gain ratio of Suchit and Chandru.

- 13) Raja, Rani and Mantri are partners sharing profits and losses in the ratio of 2:2:1. The Balance Sheet of the firm as on 31.03.2017 was as follows :

Balance Sheet as on 31.03.2017			
Liabilities	₹	Assets	₹
Creditors	40,000	Cash	20,000
Bills payable	20,000	Stock	40,000
Capitals :		Debtors	90,000
Raja	1,00,000	Buildings	1,00,000
Rani	60,000	Plant and Machinery	10,000
Mantri	40,000		
	<u>2,60,000</u>		<u>2,60,000</u>

Raja died on 31.12.2017. His executors are entitled to the followings :

- His capital on the date of his death.
- His share of profit till the date of his death. Estimated profit for the current year is ₹ 80,000.
- Interest on capital is allowed at 10% p.a.
- His drawings till death amounted to ₹ 20,000.
- Salary of Raja is ₹ 1,000 per month.

Prepare Raja's capital account.

- 14) Jagadeesh Co. Ltd. issued 10,000 12% debentures for ₹ 10 each at a premium of ₹ 2 payable as follows :
- ₹ 2 on application.
 - ₹ 5 on allotment (including premium) and balance on first and final call.
- All the debentures were subscribed and money duly received.
- Pass journal entries upto the stage of allotment money received.

- 15) Calculate current ratio and quick ratio from the following information.

Stock	₹ 1,00,000
Debtors	₹ 80,000
Bills receivables	₹ 20,000
Advance Tax	₹ 8,000
Cash	₹ 60,000
Creditors	₹ 1,20,000
Bills payable	₹ 80,000
Bank overdraft	₹ 8,000

- 16) From the following particulars of Srushti Library find out the opening Capital Fund as on 01.04.2017.

	₹
Buildings	1,00,000
Investments	25,000
Outstanding expenses	2,000
Library books	20,000
Furniture	7,000
Outstanding subscriptions	2,000
Rent receivable	1,000
Cash on hand	500
Cash at bank	4,500

- 17) Explain the five qualities of information.

SECTION – C

Answer any four questions. Each question carries 14 marks :

- 18) On 01.04.2014 Umesh purchased 'A' Machinery for ₹ 1,20,000. On 01.07.2014 'B' Machinery purchased for ₹ 80,000. On 31.12.2015 'A' Machine was sold for ₹ 84,000 and on 01.04.2016 'C' Machine was purchased for ₹ 60,000 Depreciation was charged at 10% p.a. under fixed installment method. The accounts are closed on 31st March every year.

Show Machinery account and Depreciation account for 3 years ending 31.03.2017.

- 19) Sujata and Sanjota are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31.03.2016 was as follows.

Balance Sheet as on 31.3.2016

Liabilities	₹	Assets	₹
Creditors	1,00,000	Cash	40,000
Bills Payable	50,000	Stock	50,000

Prepare :-

- i) Revaluation A/c
- ii) Partner's Capital A/c
- iii) New Balance Sheet as on 1.4.2016.

- 20) Rashmi and Rahul are partners sharing profits and losses in the ratio of 3:2. Their Balance Sheet as on 31.03.2016 is as follows :

Balance sheet as on 31.3.2016

Liabilities	₹	Assets	₹
Creditors	10,000	Cash	5,000
Bills payable	20,000	Investments	10,000
Rashmi's loan	10,000	Bills receivables	10,000

Liabilities	₹	Assets	₹
Reserve fund	10,000	Debtors	25,000
Capitals :		Stock	10,000
Rashmi	30,000	Machinery	10,000
Rahul	<u>20,000</u>	Furniture	10,000
	50,000	Buildings	20,000
	<u>1,00,000</u>		<u>1,00,000</u>

On the above date the firm was dissolved.

- a) The assets were realised as follows :

Bills Receivables ₹ 7,500; Debtors and stock 10% less than book value; Machinery realised 5% more than book value; Buildings valued for ₹ 15,000.

- b) Furniture and Investments were taken by Rashmi and Rahul at ₹ 5,000 each respectively.
- c) Dissolution expenses were ₹ 1,000.
- d) All the liabilities were discharged in full.

Prepare :

- i) Realisation Account
- ii) Partners' capital Account
- iii) Bank Account.

21) Vijayalaxmi Sugar Co. Ltd. issued 10,000 equity shares of ₹ 10 each at a premium of ₹ 2 per share. The amount was payable as follows.

- ₹ 2 on application
- ₹ 5 on allotment (including premium)
- ₹ 2 on first call and
- ₹ 3 on Final call

All the shares were subscribed and money duly received except the final call on 500 shares. The directors forfeited these shares and re-issue them as fully paid up at ₹ 7 per share. <https://www.karnatakaboard.com>

Pass necessary journal entries for issue, forfeiture and reissue of shares.

22) From the following trial balance of Shobha Trading Co. Ltd. prepare Financial Statements for the year ending 31.3.2014.

Trial Balance		Dr.	Cr.
Sl. No.	Particulars	₹	₹
1.	Sale of goods	-	2,75,000
2.	Office rent	25,000	-
3.	Opening inventories	17,500	-
4.	Purchase of goods	85,000	-
5.	Furniture	92,500	-
6.	Trade payables	-	42,500
7.	Plant and Machinery	50,000	-
8.	Trade receivables	80,000	-
9.	Equity share capital [20,000 shares of ₹ 10 each]	-	2,00,000
10.	10% Debentures	-	50,000
11.	Interest on Debentures	5,000	-
12.	Fixed Deposits [6 months term]	35,000	-
13.	Staff welfare expenses	6,000	-
14.	Surplus (Opening balance)	-	5,000
15.	Cash in hand and at bank	31,500	-
16.	Buildings	45,000	-
17.	Rates and Taxes	12,500	-
18.	Salaries	27,500	-
19.	Goodwill	62,500	-
20.	General Reserve	-	2,500
	Total	5,75,000	5,75,000

Adjustments :

- a) Closing inventories ₹ 22,500
- b) Create provision for taxation at 30%
- c) Transfer to General Reserve ₹ 2,500
- d) Directors proposed dividend at 10%
- e) Provide depreciation on plant and machinery at 10% and building at 5% p.a.
- f) Calculate DDT at 16.995% on dividend.

- 23) The following is the balance sheet of Sangolli Rayanna Co. Ltd. for the year 31.3.2015 and 31.3.2016. Prepare Comparative Balance Sheet.

Balance Sheets

Liabilities	31-3-15	31-3-16	Assets	31-3-15	31-3-16
	₹	₹		₹	₹
Equity share capital	3,00,000	6,00,000	Fixed Assets	5,00,000	10,00,000
10% Preference share capital	2,50,000	4,50,000	Investments	2,00,000	2,50,000
Reserve fund	2,00,000	2,50,000	Inventory	2,25,000	3,25,000
P & L A/c	1,00,000	1,50,000	Trade Receivables	50,000	2,00,000
Long-term loans	1,00,000	2,50,000	Cash and cash equivalents	25,000	75,000
Trade payables	50,000	1,50,000			
	<u>10,00,000</u>	<u>18,50,000</u>		<u>10,00,000</u>	<u>18,50,000</u>

24 question - missing

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

- 25) How do you treat the followings in the absence of partnership deed?

- Interest on Capital
- Interest on Drawings
- Interest on Partner's Loan
- Distribution of profits or losses
- Salary to partners.

- 26) Prepare Executor's Loan Account with imaginary figures showing the repayment of loan in two annual equal installments along with interest.

- 27) Classify the followings into capital and Revenue items.

- Honorarium paid
- Installation charges of new machinery
- Subscription to news papers
- Cost of purchases of new machinery
- Donation received for Building.