

MID TERM EXAMINATION, DECEMBER 2021

CLASS : II PUC

SUBJECT : ACCOUNTANCY (30)

MAX. MARKS : 100

TIME : 3 Hours 15 Mins.

- 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 indicates full marks.

SECTION-A

- I Answer any EIGHT questions. Each question carries 1 mark : 8x1=8**
- In order to form a partnership there should be at least :
a) One person b) Two persons c) Seven Persons d) None of the above
 - Name any one contents of partnership deed.
 - Decrease in the value of liability is debited to Revaluation Account. (State True/False)
 - Give the formula for calculation of sacrifice ratio.
 - General reserve is to be transferred to Accounts at the time of retirement of a partner.
 - Who is an Executor ?
 - Current liabilities are to be paid within
a) 3 months b) 6 months c) 9 months d) 12 months
 - Percentage of each asset to the total assets is shown in Balance Sheet.
 - Give an example for non-current assets.
 - Give the meaning of analysis.

SECTION-B

- II Answer any FIVE questions. Each question carries 2 marks : 5x2=10**
- State any two differences between fixed and fluctuating capital methods.
 - How do you close revaluation account when there is a profit ?
 - What is Realisation Account ?
 - Give the journal entry for sale of an asset on Dissolution of a firm.
 - What is financial statements ?
 - Write any two features of financial statements.
 - Name any two techniques of Financial Statement Analysis.
 - What do you mean by Common Size Statement ?

SECTION-C

- III Answer any FOUR questions. Each question carries 6 marks : 4x6=24**
- A and B are the partners sharing Profits and Losses in the ratio of 2 : 1. Their opening capital being ₹ 1,00,000 and ₹ 75,000 respectively. They earned a profit of ₹ 26,000 before allowing the following:
a) Interest on capital @ 8% p.a.
b) Their drawings during the year Mr. A ₹ 20,000 and Mr. B ₹ 25,000. Interest on the same being ₹ 2000 and ₹ 2,500 respectively.
c) Salary to Mr. A ₹ 2000 (Annual) and
d) Commission to Mr. B ₹ 2500
Prepare Profit and Loss Appropriation Account.
 - Sachin and Pavan are partners in a firm. Sachin's drawings for the year 2020-21 are given as under.
₹ 3,000 on 01-06-2020
₹ 5,000 on 30-09-2020
₹ 1,000 on 31-11-2020
₹ 2,000 on 01-01-2021
Calculate interest on Sachin's drawing at 8% p.a. for the year ending 31-03-2021. Under product Method.
 - X and Y are partners sharing profits and losses in the ratio of 3 : 2. They admit 'Z' into partnership for $\frac{1}{5}$ share, which he acquires in the proportion of $\frac{2}{15}$ and $\frac{1}{15}$ from X and Y. Calculate new profit sharing ratio.
 - Ram, Gopal and Varma are partners sharing Profit and Loss in the ratio of 4 : 3 : 2. Ram retires. Gopal and Varma share the future profits equally.
Calculate the Gain ratio of Gopal and Varma.

23. Raju, Ravi and Roopa are partners sharing Profit and Loss in the ratio of 4 : 3 : 3. Their capital balances on 01-04-2020 stood ₹ 1,00,000, ₹ 80,000 and ₹ 50,000 respectively. Raju died on 31-10-2020. The partnership deed provides the followings
- Interest on capital at 12% p.a.
 - He had withdraw ₹ 5000 up to the date of death.
 - Raju get monthly salary ₹ 1,000
 - His share of profit up to the date of death on the basis of previous year's profit. Previous year's profits ₹ 20,000.
- Prepare Raju's Executor's Account.
24. From the following balances, prepare Profit and Loss Statement for the year ending 31 March 2021 as per Schedule III of Companies Act 2013.

| Particulars | ₹ |
|-------------------------------|----------|
| Cash Sales | 2,50,000 |
| Credit Sales | 3,50,000 |
| Sales Returns | 50,000 |
| Cost of materials consumed | 3,00,000 |
| Employee benefit expenses | 50,000 |
| Depreciation and Amortization | 20,000 |
| Tax | 30% |

25. From the following Information, prepare Balance Sheet for the year ending 31-03-2019 as per schedule III of Companies Act of 2013.

| Particulars | Amount (₹) |
|---------------------------|------------|
| Share Capital | 15,00,000 |
| Reserves and Surplus | 5,00,000 |
| 10% Debentures | 4,00,000 |
| Creditor's | 2,00,000 |
| Bills Payable | 1,00,000 |
| Fixed Assets | 13,00,000 |
| Trade receivables | 5,00,000 |
| Short term Investments | 6,00,000 |
| Cash and cash equivalents | 2,00,000 |

SECTION-D

- IV Answer any FOUR of the following questions. Each question carries 12 marks : 4x12=48
- 26 Raja and Rani are partners sharing profits and losses in the ratio of 3 : 2. Their Balance Sheet as on 31-03-2014 was as follows : <https://www.karnatakaboard.com>

Balance Sheet as on 31-03-2014

| Liabilities | Amount (₹) | Assets | Amount (₹) |
|-------------------|-----------------|------------|-----------------|
| Creditors | 50,000 | Cash | 20,000 |
| Bills payable | 25,000 | Stock | 25,000 |
| Reserve fund | 25,000 | Debtors | 20,000 |
| Capitals : | | Furniture | 20,000 |
| Raja | 60,000 | Machinery | 40,000 |
| Rani | 40,000 | Buildings | 50,000 |
| | | P & L A/c | 5,000 |
| | | Investment | 20,000 |
| | 2,00,000 | | 2,00,000 |

On 01-04-2014, Mantri is admitted in to partnership on the following terms:

- He should bring in ₹ 30,000 as capital and ₹ 10,000 towards Goodwill for $\frac{1}{4}$ share in future profits. Goodwill is to be withdrawn by the old partners. (As per AS-26)
- Depreciate machinery and furniture by 10%.
- Provision for Doubtful Debts is to be maintained at 5% on debtor's.
- Appreciate buildings by ₹ 11,000.
- Provide ₹ 1000 for outstanding salaries.
- Investments are to be valued at ₹ 25,000

Prepare : i) Revaluation Account ii) Partner's Capital Accounts iii) Balance Sheet of new firm.

(P.T.O)

27. A and B are partners in a firm sharing Profits and Losses in the ratio of 3 : 1. Their balance sheet as on 31-3-2016 stood as follows :

| Balance Sheet as on 31-03-2016 | | | |
|--------------------------------|---------------|---------------------|---------------|
| Liabilities | Amount (₹) | Assets | Amount (₹) |
| Creditors | 20,000 | Cash @ Bank | 7,000 |
| Bills payable | 4,000 | Stock | 15,000 |
| Capitals | | Debtors | 16,000 |
| A | 40,000 | (-) PDD | 500 |
| B | 20,000 | Furniture | 4,500 |
| | | Plant and Machinery | 18,000 |
| | | Land & Buildings | 20,000 |
| | | Patents | 4,000 |
| | 84,000 | | 84,000 |

On 01-04-2016 'C' is admitted into partnership for $\frac{1}{6}$ share in the Profits on the following terms :

- 'C' should bring ₹ 13,000 as capital
- Goodwill of the firm is valued ₹ 6,000 (As per AS-26)
- Stock and Buildings are to be increased by 8%
- Provision for doubtful debts is to be increased by ₹ 1200
- Patents and plant and Machinery are to be reduced by 20% and ₹ 2000 respectively.

Prepare : i) Revaluation Account ii) Partners Capital Account iii) Balance Sheet of new firm.

28. Amara, Madhura and Prema were partners sharing profits and losses in the ratio of 3 : 2 : 1 on 31-03-2014 their balance sheet was as under

| Balance Sheet as on March 31, 2014 | | | |
|------------------------------------|-----------------|-------------------------|-----------------|
| Liabilities | Amount | Assets | Amount |
| Creditors | 30,000 | Buildings | 50,000 |
| Bills payable | 16,000 | Machinery | 20,000 |
| Capitals | | Stock | 18,000 |
| Amara | 60,000 | Debtors | 42,000 |
| Madhura | 40,000 | Cash | 12,000 |
| Prema | 20,000 | Profit and Loss Account | 24,000 |
| | 1,66,000 | | 1,66,000 |

On the above data Prema retires and the following adjustments are to be made :

- Machinery was depreciated by 10% p.a.
- Stock is to be revalued at ₹ 20,000
- Provision for doubtful debts ₹ 500.
- Buildings appreciated by 20% p.a.
- Goodwill of the firm was raised ₹ 30,000 (As per AS-26)

Prepare : i) Revaluation Account ii) Partners Capital Account iii) New Balance Sheet.

29. Nakul and Sahadev are partners sharing profit and losses in the ratio of 2 : 1. On the date of dissolution their Balance Sheet was as follows:

| Balance Sheet as on 31-03-2021 | | | |
|--------------------------------|-----------------|-------------|-----------------|
| Liabilities | Amount | Assets | Amount |
| Creditors | 25,000 | Cash | 9,000 |
| Bills Payable | 17,000 | Debtors | 30,000 |
| Sahadev's wife loan | 10,000 | (-) PDD | 2,000 |
| Nakul's loan | 15,000 | Stock | 18,000 |
| Capitals | | Investments | 6,000 |
| Nakul | 60,000 | Machinery | 20,000 |
| Sahadev | 40,000 | Furniture | 12,000 |
| Reserve Fund | 6,000 | Buildings | 80,000 |
| | 1,73,000 | | 1,73,000 |

- Investments and Buildings are realised at 10% more than book value.
- Nakul took over machinery at ₹ 18,000
- Sahadev took over his wife's loan.
- Creditors were paid at 10% discount and Bills payable paid in full.
- Furniture realised at book value.
- Realisation expenses ₹ 3,500

Prepare : i) Realisation Account ii) Partner's Capital Accounts iii) Cash Account.

(P.T.O)

30. Arun and Varun were partners sharing Profits and Losses equally. Their Balance Sheet as on 31-03-2016 was as follows:

| Liabilities | Amount | Assets | Amount |
|------------------|-----------------|------------------|-----------------|
| Sundry Creditors | 12,000 | Cash at Bank | 6,000 |
| Bills Payable | 16,000 | Bills Receivable | 6,000 |
| Bank Loan | 8,000 | Debtors | 25,000 |
| Arun's Loan | 22,000 | Stock | 20,000 |
| General reserve | 12,000 | Investments | 8,000 |
| Capitals | | Furniture | 10,000 |
| Arun | 50,000 | Machinery | 25,000 |
| Varun | 40,000 | Buildings | 60,000 |
| | 1,60,000 | | 1,60,000 |

On the above date the firm was dissolved :

- The assets realised as follows :
Bills receivable ₹ 5,000, Debtors ₹ 23,500, Stock ₹ 18,000, Machinery ₹ 20,000 and Buildings ₹ 75,000.
- Investments and Furniture were taken over by Varun at ₹ 10,000 and ₹ 8,000 respectively.
- All the liabilities were paid in full.
- Dissolution expenses amounted to ₹ 2,500.
- An investment not found in the books also realised ₹ 10,000

Prepare :

- i) Realisation Account ii) Partners Capital Account iii) Bank Account.

31. From the following information of Bharat Company Ltd. Prepare a Comparative Profit and Loss Statement for the year 2019 and 2020.

| Particulars | 2019 | 2020 |
|---------------------------|-----------------|-----------------|
| Revenue from operations | 6,50,000 | 7,75,000 |
| Less : Sales Returns | 50,000 | 75,000 |
| | 6,00,000 | 7,00,000 |
| Other incomes | 10,000 | 40,000 |
| Total Revenue (A) | 6,10,000 | 7,40,000 |
| Employee Benefit Expenses | 5,10,000 | 6,20,000 |
| Finance Cost | 500 | 10,000 |
| Depreciation | 15,000 | 20,000 |
| Total Expenses (B) | 5,30,000 | 6,50,000 |
| Profit before Tax (A - B) | 80,000 | 90,000 |
| Tax on Profit | 30% | 30% |

32. From the following Balance Sheet of Rajesh Exports Ltd as on 31-03-2017 and 31-03-2018. Prepare Common Size Balance Sheet.

| Liabilities | 31-03-2017 | 31-03-2018 | Assets | 31-03-2017 | 31-03-2018 |
|----------------------|------------------|------------------|----------------|------------------|------------------|
| Equity Share capital | 5,00,000 | 6,00,000 | Buildings | 3,00,000 | 4,00,000 |
| Reserves and Surplus | 3,00,000 | 3,50,000 | Machinery | 2,50,000 | 3,00,000 |
| Debentures | 4,00,000 | 3,00,000 | Goodwill | 2,00,000 | 2,50,000 |
| Current Liabilities | 2,50,000 | 3,25,000 | Current Assets | 7,00,000 | 6,25,000 |
| | 14,50,000 | 15,75,000 | | 14,50,000 | 15,75,000 |

SECTION -E

(PRACTICAL ORIENTED QUESTIONS)

- V Answer any two questions. Each carries Five Marks :

33. How do you treat the followings in the absence of partnership deed ? 2x5=10
- Profit sharing ratio
 - Interest on capital
 - Interest on partners Drawings
 - Interest on loan from partners
 - Salary or Remuneration to partners for extra work.
34. Write Profit and Loss Appropriation Accounts of a firm with 5 imaginary figures.
35. Prepare common size statement of profit and loss with 5 imaginary figures.
