

DISTRICT LEVEL II PUC PREPARATORY EXAM MARCH-2022

Time: 3 Hrs. 15 Mins.

Sub: Accountancy (30)

Max. Marks: 100

General Instructions:

1. All sub-questions of Section - A should be answered continuously at one place.
2. Provide working notes wherever necessary.
3. 15 Minutes of Extra Time have been allotted for the candidates to read the questions.
4. Figures in the right hand margin indicate full marks.

Section : A

I. Answer any EIGHT questions. Each question carries ONE mark:

8 × 1 = 8

1. Income and Expenditure account is just like _____ a/c of trading concern.
2. The agreement between the partners should be in _____
(a) Oral (b) Written (c) Oral or Written (d) None of the above
3. State any one reason for admission of a new partner.
4. Increase in the value of an asset is credited to Revaluation a/c (State True or False).
5. Give the formula for calculating New Profit Sharing Ratio on retirement of partner.
6. Rashi, Raksha and Rahul are partners sharing profits in the ratio of 4 : 3 : 2. If Rahul retires, then what will be the New Profit Sharing Ratio of Rashi and Raksha?
7. _____ is minimum number of members in a Private Company.
8. Expand DRFI.
9. Share capital appears under the head _____.
10. The most commonly used tools for financial analysis are:
(a) Horizontal analysis (b) Vertical analysis (c) Ratio analysis (d) All of the above
11. Mention any one type of liquidity ratio.
12. Give the meaning of cash flows.

Section - B

II. Answer any FIVE questions. Each question carries TWO marks:

5 × 2 = 10

13. State any two features of Receipts and Payments Account.
14. Name any two contents of partnership deed.
15. What is Revaluation Account?
16. Give Journal Entry for an asset taken over by a partner on dissolution of firm.
17. Mention any two categories of share capital.
18. State any two users of financial statement analysis.
19. List any two techniques of Financial Statement Analysis.
20. Give any two examples for cash out flow from operating activities.

Section - C

III. Answer any FOUR questions. Each question carries SIX marks:

4 × 6 = 24

21. A and B are partners commenced partnership business on 01.04.2020 sharing profits and losses in 3 : 2 ratio with capitals of Rs.200000 and Rs.160000 respectively. They earned profit of Rs.30000 for the year before allowing.
(a) Interest on capital @ 10% p.a.
(b) Interest on drawings A Rs.1000 and B Rs.1600.
(c) Commission Payable to A Rs.4000.
(d) Salary payable to B Rs.3000.
Prepare Profit and Loss appropriation account for the year ending 31.03.2021.
22. Sahana and Rahul are partners in firm. Sahana's drawings for the year 2020-21 are given as under:
Rs.2000 on 01.06.2020 Rs.3000 on 30.09.2020
Rs.1000 on 30.11.2020 Rs.1500 on 01.01.2021
Calculate interest on Sahana's drawings at 8% p.a. for the year ending on 31.03.2021 under product method.
23. 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 Gain Ratio.
24. Mahesh, Mohan and Naresh are partners sharing profits and losses in the ratio of 2 : 2 : 1. Their capitals on 01.04.2020 was Rs.100000, Rs.80000 and Rs.50000 respectively. Mahesh died on 01.10.2020 and the partnership deed provides the following:
(a) Interest on capital at 10% p.a.
(b) Mahesh entitles for a monthly salary of Rs.4000.
(c) Mahesh's share of goodwill. The total goodwill of the firm is Rs.50000. (As per AS-26).
(d) His share of profit up to the date of death, on the basis of previous year's profit. Previous year's profit is Rs.20000.

Prepare Mahesh's Executors Account.

25. Hindustan Co. Ltd issued 20000 10% debentures of Rs. 10 each payable as follows:

Rs. 2 on application

Rs. 4 on allotment

Rs. 4 on first and final call

All the debentures are subscribed and money duly received. Pass journal entries in the books of company.

26. From the following information, prepare statement of profit and loss for the year ended 31.03.2020 as per schedule III of the companies Act 2013

Particulars	Rs.
Revenue from operations	800000
Other income	50000
Cost of materials consumed	200000
Employee Benefit expenses	100000
Depreciation and Amortisation	50000
Tax	30%

27. Calculate Current Ratio and Liquid Ratio from the following information:

	Rs.
Current liabilities	50000
Trade receivable	30000
Cash in hand	10000
Cash at bank	10000
Inventory	20000
Advance tax	10000

28. From the following particulars, calculate cash flow from investing activities:

Particulars	Purchased	Sold
Plant	220000	25000
Investments	90000	50000
Goodwill	100000	-
Patents	-	50000

(a) Interest received on debentures held as investment Rs.30000

(b) Dividend received on shares held as investment Rs.5000

(c) A plot of land had been purchased for investment purpose and was let out for commercial use and rent received Rs.15000.

Section - D

IV. Answer any FOUR Questions. Each question carries twelve marks:

4 × 12 = 48

29. Following is the Balance Sheet and Receipt and Payment Account of Gurudeva Education Trust, Tumkur.

Balance Sheet as on 31.03.2019

Liabilities	Rs.	Assets	Rs.
Outstanding office expenses	5000	Cash in hand	15000
Bank loan	35000	Furniture	25000
Capital fund	120000	Buildings	70000
		Sports materials	20000
		Library books	30000
	160000		160000

Receipts and payments account for the year ended 31.03.2020

Receipts	Rs.	Payments	Rs.
To balance b/d	15000	By office expenses	
To subscriptions		2018 - 19	5000
2019 - 20	45000	2019 - 20	17000
2020 - 21	5000	By printing and postage	600
To entrance fees	8000	By salary	25000
To donations	12000	By purchase of books	10000
To interest	5000	By bank loan repaid	5000
		By subscription to news papers	600
		By balance c/d	26800
	90000		90000

Adjustments:

(a) Subscriptions outstanding Rs 5000

(b) Salary prepaid Rs 2500

(c) Capitalize 50% of entrance fees and 100% of donations

(d) Depreciate building by 10%

Prepare: (i) Income and Expenditure account for the year ending 31.03.2020 (ii) Balance sheet as on 31.03.2020

30. Dore and Bhagawan are partners sharing profits and losses in the ratio of 3 : 2. Their Balance sheet as on 31.03.2020 was as follows:

Balance sheet as on 31.03.2020

Liabilities	Amount	Assets	Amount
Creditors	50000	Cash	20000
Bills payable	25000	Stock	25000
Reserve fund	25000	Debtors	20000
Capitals:		Furniture	20000
Dore	60000	Machinery	40000
Bhagawan	40000	Buildings	50000
		Investments	20000
		P and L a/c	5000
	200000		200000

On 01.04.2020, Vijay admitted into the partnership on the following terms:

- He brings in Rs. 30000 as capital and Rs. 20000 towards goodwill for $\frac{1}{4}$ th share in future profits. Goodwill is to be withdrawn by the old partners. (As per AS-26).
- Depreciate Machinery and Furniture by 10% each.
- Provision for doubtful debts is maintained at 5% on debtors.
- Appreciate buildings by Rs. 15000.

Prepare:

- Revaluation account
- Partner's capital accounts and
- New Balance sheet as on 01.04.2020.

31. Digvijay, Brijesh and Parakram were partners in a firm sharing profits in the ratio of 2 : 2 : 1. Their Balance sheet as on 31st March 2020 was as follows:

Liabilities	Rs.	Assets	Rs.
Creditors	49000	Cash	8000
Reserves	18500	Debtors	19000
Digvijay's capital	82000	Stock	42000
Brijesh's capital	60000	Buildings	207000
Parakram's capital	75500	Patents	9000
	285000		285000

Brijesh retired on 31, 2020 on the following terms:

- Goodwill of the firm was valued at Rs. 60000 (As per AS-26).
- Bad debts amounting to Rs. 2000 were to be written off.
- Patents were considered as valueless.

Prepare:

- Revaluation account
- Partners capital account and
- Balance sheet of Digvijay and Parkram after Brijesh's retirement.

32. Vinay, Vaibhav and Naveen are partners in firm sharing profits and losses in the ratio of 3 : 2 : 1

Balance sheet as on 31.03.2020

Liabilities	Rs.	Assets	Rs.
Creditors	40000	Cash at bank	15000
Bills payable	10000	Debtors	50000
Naveen's loan	12000	Stock	60000
General reserve	6000	Furniture	28000
Capitals:		Machinery	45000
Vinay	80000	Buildings	50000
Vaibhav	60000		
Naveen	40000		
	248000		248000

The assets were realized as follows:

- Debtors realized 10% less than the book value, the stock realized 15% more than the book value and buildings realized Rs. 60000.
- Creditors and Bills payable were paid in full.
- Furniture was taken over by Vinay at Rs. 25000.
- Machinery was taken over by Vaibhav at Rs. 40000.
- Cost of dissolution amounted to Rs. 3000.

Prepare:

- Realisation account
- Partners Capital a/c and
- Bank account

33 Arushi computers Ltd issued equity shares of Rs. 100 each, at a premium of Rs 10 per share. The amount payable is as follows:
 Rs 30 on application
 Rs 50 on allotment (including premium)
 Rs 30 on first and final call.
 All the shares were subscribed and the money duly received except the first and final call on 500 shares. The directors forfeited their shares and re-issued them as fully paid up at Rs.80 per share. Pass the necessary Journal entries in the books of the company.

34 Pass the journal entries for the followings:
 (a) Issue of Rs 200000, 9% debentures of Rs. 100 each at par and redeemable at par
 (b) Issue of Rs 200000, 10% debentures of Rs 100 each at a premium of 5% but redeemable at par
 (c) Issue of Rs 200000, 12% debentures of Rs 100 each at a discount of 5% and redeemable at par
 (d) Issue of Rs 200000, 8% debentures of Rs. 100 each at par but redeemable at a premium of 5%

35 Prepare common size balance sheet of Bombay Textile Ltd. from the following information:

Particulars	31.03.2019	31.03.2020
Equity and liabilities		
Share capital	2400000	3000000
Reserves and surplus	1000000	1000000
Long term borrowings	1000000	1200000
Trade payable	2100000	3100000
Total	6500000	8300000
Assets		
Tangible (machinery)	1600000	2800000
Intangible (goodwill)	2400000	3200000
Investment	2000000	2000000
Inventories	500000	300000
Total	6500000	8300000

36. From the following particulars calculate:

- (i) Inventory turnover ratio
 (ii) Trade receivable turnover ratio
 (iii) Trade payable turnover ratio
 (iv) Gross profit Ratio
 (v) Net profit ratio
 (vi) Operating Ratio.

Particulars	Amount
Revenue from operations	1000000
Gross profit	200000
Average inventory	100000
Net credit revenue from operation	600000
Average trade receivable	150000
Net credit purchases	500000
Average trade payable	250000
Operating expenses	100000
Net profit	100000

Section - E

(Practical Oriented Questions)

V Answer any TWO of the following questions Each question carries FIVE marks:

2 × 5 = 10

37. Classify the following into Capital and Revenue items.

- 1) Computer purchased by a college
- 2) Life membership fees
- 3) Sale of machinery
- 4) Subscriptions received from members
- 5) Amount spent for upkeep of ground.

38 Prepare executor's loan account with imaginary figures showing the repayment in two annual equal instalments along with interest.

39 Prepare comparative statement of profit and loss in 5 imaginary figures.

40 Write the proforma of cash flows from operating activities under direct method.
