



JAIN COLLEGE, J C Road, Bangalore
Mock Paper - 1 December - 2017
II PUC – Accountancy (30)

SECTION – A

I. Answer all the questions, each carrying two marks:

1. What is specific Reserve?
2. What is Profit and Loss Appropriation Account?
3. What is Goodwill?
4. What is the journal entry to close the deceased partner's capital account?
5. Write the journal entry for transferring the assets to Realisation Account?
6. What is authorised capital?
7. What is EPS?
8. What is Stock turnover Ratio?
9. What is capital expenditure?
10. What do you mean by Data?

SECTION – B

II. Answer all the questions, each carrying five marks:

11. X and Y are partners sharing profits and losses in the ratio of 3:2. Their capitals were Rs 50,000 and Rs 40,000 respectively. Their drawings during the year were X Rs 6,000 Y Rs 4,000 respectively. Y is allowed salary of Rs 250 per month and commission 1,500 per annum. Partnership deed provides interest on capitals will be allowed at 5% and charged on drawings 6% p.a. The profits for the year before charging interest on capitals and partners salary but after charging interest on drawing will be Rs 14,000.

Prepare profits and loss appropriation.

12. Deepa and champa are partners sharing profits and losses in the ratio of 3:2. They admit roopa in to partnership and give her $\frac{1}{4}$ share. **Calculate the new profit sharing ratio**
13. Keshav , Mukesh and Anil are partners in a firm sharing profits and losses in the ratio of 5:3:2. On 30 Sept 2015 keshav died. His capital as per balance sheet Rs 30,000. The partnership deed provides the following.
- Interest on capital to be allowed at 12% p.a.
 - His share in revaluation account Rs 8,000 (cr)
 - Share in the profit from the date of last balance sheet till to the date of death to be calculated on the basis of last year's profit.
 - Goodwill to be valued at two and half years purchase of the average profits of the previous 4 years which were: Rs 12,000 , Rs 20,000 , Rs 13,000 , Rs 15,000 .
 - Rs 7,000 out of the amount due to keshav to be paid immediately to his executors and the balance to be transferred to their loan account.

Prepare Keshav's capital account.

14. Kumar company ltd. Issued 5,000 10% debentures of Rs 100 each at a premium of Rs 10 per debenture payable as follows: Rs 20 on application, Rs 50 on allotment and Rs 30 on first and final call. All the debentures were subscribed and the money duly received up to the stage of allotment. **Pass the journal entries in the books of the company up the stage of allotment.**
15. Compute Stock turnover ratio and average inventory from the following information;
- a. Sales Rs 6,00,000
 - b. Gross profit Rs 1,00,000
 - c. Opening stock Rs 45,000
 - d. Closing stock Rs 55,000

16. From the following ledger balances as on 01-04-2013, find out the opening capital fund.
Building – Rs 1, 10,000, Furniture –Rs 15,000, Investments –Rs 45,000, Outstanding Expenses Rs 3,500. Prepaid insurance Rs 1,500, subscriptions received in advance-Rs 4,000, Cash in hand Rs 9,000
17. Explain the types of information with one example each.

SECTION – C

III. Answer all the questions, each carrying fourteen marks:

18. A company whose accounting year is a financial year, purchased on 1.7.2012 machinery costing Rs 25,000 and spent Rs 5,000 for its installation. It further purchased machinery on 1.1.2013 for Rs 20,000. On 1.4.2014 the machinery was purchased on 1.7.2012 became obsolete and was sold for Rs 19,500. On the same date another machinery was purchased for Rs 50,000. The company charges depreciation at 10%p.a. **on straight line method show machinery and depreciation account for 4 years . Accounts are closed on 31st march of every year.**
19. Ajay, Vijay and Sujay were partners sharing profits and losses in ratio of 2:2:1 respectively. On 31.3.2016, their balance sheet was as under:

Liabilities	Rs	Assets	Rs
Sundry creditors	15,000	Cash in hand	4,000
Bills payable	7,500	Bills receivable	13,000
Bank loan	10,000	Patents	8,000
Outstanding expense	2,000	Sundry debtors	23,000
Capitals:		Less:PBD	3,000
Ajay	55,000	Furniture	12,500
Vijay	45,000	Investments	15,000
Sujay	25,000	Machinery	25,000
	1,59,500	Building	62,000
			1,59,500

On the above date, Sujay retired from the business due to misunderstanding with other partners and the following adjustments are required.

1. Good will of the firm valued at Rs 50,000. Sujay's share of goodwill is to be created and written off immediately
2. Machinery valued at Rs 20,500 and furniture to be valued at 10% less than the book value.
3. Appreciated building by 10% and make a provision for bills receivable at 5%.
4. Provision for bad debts reduced by Rs 500.
5. Interest on bank loan at 5% due for 6 months.
6. Outstanding expense valued at 2,500

Prepare: Revaluation account, capitals account and opening balance sheet.

20. Subbu , Pappu and Dappu are partners sharing profit and losses in ratio of 3:2:1 .Their Balance sheet as on 31.3.15 was as follows.

Liabilities	Rs	Assets	Rs
Capitals:		Investments	20,830
Subbu	30,000	Machinery	40,500
Pappu	20,000	Stock in trade	17,000
Dappu	10,000	Joint life policy	14,000
Mrs. Subbu loan	5,000	Debtors	9,300
Jammu loan	2,000	Less:PBD	600
Dappu loan	3,000	Profit and loss	2,000
Creditors	18,500	Cash at bank	5,470
Life policy fund	14,000		
Investment fluctuation fund	6,000		
	1,08,500		1,08,500

The firm was dissolved on the above date

1. The life policy surrendered for Rs 12,000
2. Investments are taken over by Mr.Subbu for 17,500
3. Mr Subbu agrees to discharge his wife loan
4. Mr pappu takes over debtors at 6,150
5. Machinery is realised for Rs 55,000
6. It is found that an investment not recorded in the books is worth Rs 3,000. The same is taken over by one of the creditors.
7. Stock is realised for Rs 15,000
8. Expense of realisation amounted to Rs 600

Prepare: Realisation Account, Partners' capital accounts and Bank account

21. Akhil co ltd. Issued 40,000 equity shares of Rs 10 each at discount of Rs 2 per share to the public, payable as follows.
 Rs 2 on application
 Rs 2 on allotment
 Rs 2 on first call
 Rs 2 on final call
 All the shares subscribed and the money duly received except the final call on 800 shares. The directors forfeited these shares and re-issued them as fully paid up at RS 7 per share.
 Pass the necessary journal entries related to the above information.
22. From the following trial balance of fortune India ltd. As on 31/3/2015, prepare the financial statements in vertical form.

Sl No	Name of the account	Debit	Credit
1	Equity share capital @ Rs 10 each		1,00,000
2	Inventory on 1-4-2014	2,00,000	
3	Purchases and sales	4,30,000	80,000
4	Returns	4000	3000
5	Freight	3000	
6	Salaries	7,500	
7	Directors sitting fees	4,800	
8	Preliminary expenses	6,000	
9	Trade receivables and trade payables	59,900	24,000
10	Furniture	10,000	
11	Buildings	45,000	
12	Good will	10,000	
13	Investments	25,000	
14	Surplus 1/4/2014		10,000
15	Reserve fund		15,000
16	Dividend paid	3,0000	
17	Bad debts	1,500	
18	Cash at bank	14,500	
19	10% debentures		28,000
20	Interest on debentures	2,800	
	Total	2,60,000	2,60,000

Adjustments:

- a. Inventories as on 31 /3/2015 RS 25,000
 - b. Depreciate building and furniture at 10% each.
 - c. Transfer RS 5,000 to reserve fund
 - d. Write off half of the preliminary expenses.
 - e. Salary outstanding RS 500.
 - f. Create provision for tax at 30%
23. From the following data relating to the liabilities side of balance sheet of Janani Co Ltd as on 31st March 2013 you are required to calculate trend percentages taking 2009 as the base year.

Liabilities	2009	2010	2011	2012	2013
Share Capital	10,00,000	12,50,000	13,00,000	15,00,000	16,00,000
Reserve & Surplus	5,00,000	6,00,000	6,50,000	7,50,000	8,00,000
10% Debentures	20,00,000	25,00,000	30,00,000	40,00,000	40,00,000
Bank Overdraft	1,00,000	2,00,000	2,50,000	2,50,000	2,00,000
P&L A/c	2,00,000	2,20,000	2,80,000	2,60,000	3,00,000
Trade Payables	4,00,000	7,00,000	6,00,000	7,00,000	7,50,000

24. Global Sports Club was started from 1-04-2012. It's Receipts and Payments Account for the year ending 31-03-2013 was as follows:

Dr Receipt and Payment A/c for the year ending 31-03-2013				Cr
Receipts	Amount	Payments	Amount	
To Tournament fund	15,000	By Salary	13,250	
To Games fees	12,500	By Tournament expense	10,000	
To Life Membership fee	40,000	By Telephone charges	3,300	
To Special donations	3,00,000	By Games expenses	12,500	
To Subscriptions	35,000	By Sports materials	11,000	
To Sundry income	5,750	By Building	2,45,000	
		By Furniture	27,000	
		By Office expenses	6,000	
		By Investments	60,000	
		By balance c/d	20,200	
	4,08,250		4,08,250	

Adjustments

- 1) Interest earned but not received Rs.1200.
- 2) Outstanding Salaries Rs.1, 750.
- 3) Special donations and life membership fees are to be capitalized.
- 4) Sports materials on 31-03-2013 were valued at Rs.7, 500.
- 5) Depreciate Building by Rs.5, 000.
- 6) O/S Subscriptions Rs.4, 500 and subscription received in advance Rs.1, 250.

Prepare:

1. Income and Expenditure account and
2. Balance Sheet

SECTION – D

IV. Answer all the questions, each carrying five marks:

25. How do you treat the following in the absence of the partnership deed
- a) Interest on capital
 - b) Interest on drawing
 - c) Interest on loan
 - d) Distribution of profits or losses
 - e) Salary to partners.

26. Prepare Capital/Current account of two partners under **Fixed capital system** with five imaginary figures.
27. Classify the following into capital and revenue items.
- a) Donations received for construction of building
 - b) Annual maintenance grant received from the government
 - c) Cost of computers purchased by a college
 - d) Legacies received
 - e) Amount spent for upkeep of grounds



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SECTION – A

I. Answer all of the questions, each question carries two marks.

1. State any 2 types of reserves?
2. What is meant by Fluctuating capital system?
3. When do you prepare Revaluation account?
4. What do you mean by retirement of a partner?
5. Give the journal entry to close partner's loan account on Dissolution of a firm?
6. What is Over subscription?
7. Give any two limitations of Financial Statements?
8. State any two uses of Ratios?
9. State any two examples for deferred revenue expenditure?
10. Give the meaning of Information?

SECTION – B

II. Answer all of the following, each question carries five marks.

11. Amar and Kumar are partners sharing profits and losses equally. Amar withdrew Rs 1500 at the beginning of each month and Kumar withdrew Rs 2000 at the end of each month for the year ending 31st March 2016. Calculate interest on partner's drawings at 12% per annum under **average period method**.
12. Vivek, Vikas and Vinay are partners sharing profits and losses in the ratio of 4:3:2. Vivek retires. Vikas and Vinay share the future profits equally. Calculate the **Gain ratio**.
13. Anil, Sunil and Rahul are the partners sharing profits and losses in the ratio of 3:2:1. Their capitals as on 1.4.2014 were Rs 70,000, Rs 90,000 and Rs 60,000 respectively. Anil died on 31.12.2014 and the partnership deed provided the following:
 - a. Interest on Anil's capital at 8% p.a.
 - b. Anil's salary Rs 2000 per month.
 - c. His share of accrued profit upto the date of death based on previous year's profit. Firm's profit for 2013-14 was Rs 24,000.
 - d. His share of goodwill Rs 12,000Ascertain the amount payable to Anil's executor by preparing Anil's capital a/c.
14. Kaveri Company Ltd issued 1000 10% debentures of Rs 100 each at a discount of 10% payable Rs 20 on Application, Rs 20 on Allotment and the balance on the first and final call. All the debentures were subscribed and the money duly received. Pass the Journal entries in the books of the company.
15. From the following information of Anand Company Ltd prepare a Comparative Income Statement for the year 2015 and 2016:

Particulars	2015 Rs	2016 Rs
Revenue from operations	7,25,000	8,15,000
Less: Sales returns	25,000	15,000
	7,00,000	8,00,000
Other Revenue Incomes	1,200	8,000
Total Revenue	7,01,200	8,08,000
Less: Employee benefit expenses	5,95,000	6,15,000
Depreciation	12,700	12,500
Financial expenses	23,000	24,000
Other expenses	1,500	2,000
Total expenses	6,32,200	6,53,500
Profit before tax	69,000	1,54,500

16. Prepare receipts and payments a/c from the following information of Bangalore Sports Club.
Cash in hand (01.04.2013) - Rs 10,000, Entrance Fees – Rs 5000, Legacies – Rs 10,000, Subscription Rs 30,000, Salaries – Rs 10,000, Rent Rs 5000, Sports material Rs 25,000, Office expenses – Rs 5000, Furniture – Rs 8,000.
17. Explain the types of data processing system with one example each?

SECTION – C

III. Answer all of the following; each question carries fourteen marks

18. A company acquires a lease costing Rs 1,00,000 for a term of 4 years. It is proposed to depreciate the lease by annuity method, charging 5% interest per annum. Annual depreciation amounts to Rs 28,201. Show Lease A/c and Interest A/c for 4 years.
19. Hari and Satish were partners sharing profits and losses in the ratio of 2:3. The Balance sheet as on 31.03.2016 was as follows:

Balance sheet as on 31.03.2016

Liabilities	Rs	Assets	Rs
Creditors	55,000	Cash at Bank	21,500
Bills payable	5,000	Bills Receivable	4,500
Reserve Fund	16,000	Stock	35,000
Capitals:		Debtors	60,000
Hari	40,000	(-) Provision	<u>3,000</u>
Satish	37,000	Furniture	5,000
		Buildings	30,000
	1,53,000		1,53,000

On 01.04.2016 Mani is admitted into the partnership on the following terms:

- a. He pays Rs 25,000 as capital.
- b. Goodwill of the firm is valued at Rs 32000 and goodwill a/c is to be written off.
- c. The new profit sharing ratio is 3:3:2.
- d. Reduce stock by 10% and increase buildings by 15%.
- e. Provision for doubtful debts is reduced to Rs 1000.
- f. Make a provision for damages against the firm to the extent of Rs 400.

Prepare: **Revaluation a/c, Partner's Capital a/c, Goodwill a/c and Balance sheet of the new firm.**

20. Akash and Chandra were partners in a firm sharing profits and losses in the ratio of 2:3. They decided to dissolve their firm on 31st March 2014, on which date their Balance sheet was as below:

Balance Sheet as on 31.03.2014

Liabilities	Rs	Assets	Rs
Sundry Creditors	40,000	Machinery	40,000
Bills payable	10,000	Furniture	20,000
Mrs Akash's Loan	5,000	Investment	20,000
Chandra's Loan	15,000	Debtors	40,000
General Reserve	20,000	(-)PBD	<u>2,000</u>
Capitals:		Bills receivable	12,000
Akash	40,000	Stock	22,000
Chandra	60,000	Cash	38,000
	1,90,000		1,90,000

- a. The assets were realized as follows:
Machinery and Furniture realized at 10% less than the book value. Debtors and Stock realized Rs 37,000 and Rs 24,000 respectively. Bills receivable realized in full. Investment taken over by Chandra at Rs 19,000.
- b. Sundry creditors and Bills payable were paid at a discount of 5% each.
- c. Akash agreed to take over his wife's loan.
- d. There was an unpaid salary of Rs 2000 which was paid on dissolution.
- e. Cost of dissolution amounted to Rs 3,000.

Prepare: **Realisation a/c, Partner's capital a/c and Cash a/c.**

21. West Bengal Mining Company Limited with a registered capital of 20,000 shares of Rs 10 each issued 10,000 shares payable Rs 2 per share on application, Rs 3 per share on allotment and Rs 5 per share on first and final call. All the shares were subscribed and money duly received except 1000 shares on first and final call. These shares were forfeited and re-issued at Rs 8 as fully paid-up. Pass the journal entries.
22. From the following Trial Balance of Best luck Trading Company Ltd as at 31st March, 2015, Prepare Financial statements in statutory form.

Trial Balance as at 31st March 2015

Sl. No.	Name of the Accounts	Debit(Rs)	Credit (Rs)
1.	Share Capital (Equity Shares of Rs 100 each)	-	3,00,000
2.	Purchases and Sales	2,34,900	4,72,800
3.	Salaries	23,200	-
4.	Government securities	1,00,000	-
5.	8% Debentures	-	80,000
6.	Short-term Loans	-	20,000
7.	Interest on debenture due	-	6,400
8.	Computers	60,000	-
9.	Motor Vehicle	1,20,000	-
10.	Premises	1,60,000	-
11.	Inventories (1-4-2014)	68,750	-
12.	Reserve Fund	-	25,000
13.	Surplus (1-4-2014)	-	44,600
14.	Trade Receivables and Trade Payables	36,800	15,000
15.	Securities premium Account	-	5,000
16.	Advertisements	13,600	-
17.	Rent, Rates, Taxes and Insurance	27,800	-
18.	Repairs & Maintenance	9,650	-
19.	Advance to Employees	24,000	-
20.	Telephone & Communication charges	12,000	-
21.	Power, Gas, Water & Electricity Charges	11,200	-
22.	Cash & Cash Equivalents	60,500	-
23.	Interest expenses	6,400	-
		9,68,800	9,68,800

Adjustments:

- a. Depreciate Computers by 20% & Motor Vehicle by 15%.
 - b. Provide for Income tax at 30% on profit before tax.
 - c. Transfer 20% of profit after tax to reserve fund.
 - d. Dividend declared at 10% on share capital. DDT at 16.995%.
 - e. Closing Inventories are valued at cost Rs 88,950.
23. Prepare Common size balance sheet of ABC Company LTD from the following information:

Particulars	31.03.2013 Rs	31.03.2014 Rs
I. Equity & Liabilities		
1. Shareholders Fund:		
a. Share Capital	12,00,000	15,00,000
b. Reserves & Surplus	5,00,000	5,00,000
2. Non- current Liabilities:		
a. Long-Term Borrowings	5,00,000	6,00,000
3. Current Liabilities		
a. Trade payables	10,50,000	15,50,000
Total Equity and Liabilities	32,50,000	41,50,000

Particulars	31.03.2013 Rs	31.03.2014 Rs
II. Assets.		
1. Non-Current Assets/ Fixed Assets:		
a. Tangible Assets – Machinery	10,00,000	15,00,000
b. Intangible Assets – Goodwill	10,00,000	15,00,000
c. Non- Current Investments.	10,00,000	10,00,000
2. Current Assets:		
a. Inventories	2,50,000	1,50,000
Total Assets	32,50,000	41,50,000

24. Following are the Balance sheet and Receipts and Payments Account of Gandhi Sports Club, Bangalore.

Balance Sheet as on 31.03.2014

Liabilities	Rs	Assets	Rs
O/S Salary	2,000	Cash Balance	7,300
Capital Fund	32,500	O/S Subscription	1,200
		Furniture	10,000
		Sports Materials	16,000
	34,500		34,500

Receipts and Payments for the year ending 31.03.2015

Dr		Cr	
Particulars	Rs	Particulars	Rs
To Balance b/d	7,300	By Salary	10,000
To Subscriptions	38,000	By Purchase of Sports Material	6,000
To Entrance Fees	2,000	By Investments	20,000
To Sale of old newspaper	200	By Fixed deposits	10,000
To Sale of old sports materials	1,200	By Postage	300
To Rent	7,000	By General Expenses	400
		By Lighting charges	1,300
		By Balance c/d	7,700
	55,700		55,700

Adjustments:

- Subscription outstanding for the year 2014-2015 Rs 3000
- Subscription received in advance for the year 2015-2016 Rs 1000
- Depreciate Sports Material by Rs 5000 and Furniture by Rs 500
- Capitalise Entrance fees
- Outstanding Salaries Rs 1800 and Lighting charges Rs 300.

Prepare 1. Income and Expenditure Account

2. Balance Sheet as on 31.03.2015

SECTION – D

IV. **Answer all of the following, each question carries five marks**

- Prepare a Machinery account for two years with imaginary figures under **Fixed Installment Method**.
- Prepare Capital account of two partners under **Fluctuating Capital system** with five imaginary figures.
- Prepare the tree diagram of hierarchical data base model.
