



Published by :

OSWAAL BOOKS "Oswaal House" 1/11, Sahitya Kunj, M.G. Road, AGRA-282002 Ph.: 0562-2857671, 2527781 email : contact@oswaalbooks.com, website : www.oswaalbooks.com



LATEST SYLLABUS

INTRODUCTION TO PARTNERSHIP 1.

- \triangleright Meaning and Definitions.
- \triangleright The Indian Partnership Act, 1932
 - Methods of Capital Accounts:
 - (a) Fixed Capital Method
- (b) Fluctuating Capital Method.

Learning objective :

 \triangleright

- Understanding the meaning of Partnership. \triangleright
- Know the salient features of Partnership. \geq
- Understand the meaning of The Indian Partnership Act, 1932. \triangleright
- Know the importance of Partnership Deed. \geq
- Understand the provisions applicable in the absence of Partnership Deed. \geq
- Know how to maintain Capital Accounts of Partners. \geq

PARTNERSHIP FINAL ACCOUNTS 2.

- Introduction and Necessity of preparation of Final Accounts with following adjustments \geq
 - Closing Stock •
 - Prepaid expenses
 - Income receivable
 - Provision for doubtful debts
 - Depreciation

- Outstanding expenses
- Income received in advance

Bills Payable dishonoured

- Bad debts
- Reserve for discount on debtors and creditors
- Interest on capital, drawings and loans
- Interest on investment and loans
- Goods destroyed by fire/accident (insured/uninsured)
- Goods stolen .
 - Goods distributed as free samples Unrecorded purchases and sales Goods withdrawn by partners
- Capital expenditure included in revenue expenses and vice-versa.
- Bills Receivable dishonoured .
- Deferred expenses •
- Capital receipts included in revenue, receipts and vice-versa. •
- Commission to working partner/managers on the basis of Gross Profit, Net Profit, Sales, etc.
- Learning Objectives : After studying this chapter a student will be able to :
 - Understand the meaning of Final Accounts. •
 - Know the need and importance of Final accounts. •
 - Know the effects of adjustments in Final accounts.
 - Know the meaning of Trading Account, Profit and Loss Account and Balance Sheet.
 - Know how to find out financial results of the business.

RECONSTITUTION OF PARTNERSHIP 3.

- Meaning and different ways of Reconstitution.
- Admission of a partner:
 - (a) Meaning and Need

(f) Methods of Valuation of Goodwill:

- (c) New profit sharing ratio
- (b) Capital brought by a new partner (d) Sacrifice ratio
- (e) Meaning of Goodwill
- (ii) Super Profit Method.
- (i) Average Profit Method
 - (2)

- ➢ Treatment of Goodwill.
- > Adjustment of accumulated profits and loss.
- > Revaluation of assets and liabilities.
- Adjustment of capital.

Learning Objectives :

- > Know the meaning and different ways of Reconstitution.
- > Know the meaning and need of admission of partner in the existing Partnership firm.
- > Identify the matters that require adjustments on admission of a partner.
- > Calculate new profit sharing ratio and sacrifice ratio.
- > Know the methods of calculation of Goodwill.
- > Know the treatment of Goodwill in the books of account while admitting a new partner.
- Know the accounting treatment as regards accumulated profits and losses.
- > Make necessary adjustments for revaluation of assets and liabilities
- > Determine capital as per new profit sharing ratio.

4. RECONSTITUTION OF PARTNERSHIP (RETIREMENT OF A PARTNER)

- Meaning, Need
- New Ratio
- Gain Ratio
- ➢ Treatment of Goodwill
- > Adjustment of Accumulated Profits and Losses
- > Revaluation of Assets and Liabilities
- Adjustment of Capital
- > Amount due to Retiring Partner.

Learning Objectives :

- > Meaning of Retirement in Partnership Business.
- > Various ratios connected to Retirement of Partnership.
- > The treatment of Good will.
- > The effects of Reserves Accumulated Profits and Losses.
- > The effects of Revaluation of Assets and Re-assessment of Liabilities.
- > The adjustments to be made for remaining Partners' Capitals.
- > The various modes of final payment to be made to Retiring Partner.

5. RECONSTITUTION OF PARTNERSHIP (DEATH OF A PARTNER)

- Meaning
- New Profit Sharing Ratio
- ➢ Gain (Benefit) Ratio
- > Revaluation of Assets and Liabilities
- > Amount due to Deceased Partner Executor
- > Settlement of amount due
- Accounting treatment

Learning Objectives:

- Calculate various ratios
- > Calculate share of profit up to the date the death of a partner

- > Calculate share of Goodwill of the Deceased Partner
- > Calculate amount due to deceased partners' executor
- > Settle the account of the executor

6. DISSOLUTION OF PARTNERSHIP FIRM

- Simple Dissolution
- > Dissolution under Insolvency Situation
- > Learning objectives : After studying These topics, Students will be able to understand
- > The meaning and concept of Dissolution
- > Reasons of Dissolution of Partnership Firm
- > Effects of Dissolution of Partnership Firm
- > Accounting treatment for settlement of accounts
- > Accounting procedures under simple Dissolution and Insolvency of a Partner

7. ACCOUNTS OF "NOT FOR PROFIT" CONCERNS

- > Introduction, Meaning and Features of "Not for Profit" Concerns.
- Receipts and Payments Account-Meaning and Features.
- > Distinction between Income and Expenditure Account.
- > Preparation of Income and Expenditure Account and Balance Sheet with the following.
- (a) Additional Information :
- > Outstanding Expenses and Prepaid Expenses of the Current and Previous Year.
- > Accrued Income and Income Received in Advance.
- Subscription Received in Advance and Subscription Outstanding of the Current and Previous Year.
- Depreciation.
- > Capitalisation of Entrance Fees.
- > Creation of Special Funds Out of Donation.
- Stock of Stationery
- > Opening Balances of Assets and Liabilities.
- (b) Important Items:
- Entrance Fees, Subscription, Legacy, Life Membership Fees, Sale of Old Assets, Scrap, Newspapers, Specific Donation, General Donations, Specific Funds and Endormant Fund.
- > Learning Objectives : After studying this unit a student will be able to.
- > Understands the meaning and features of "Not for Profit" Concerns.
- > Understands the meaning and features of Receipts and Payments Account.
- Understand the meaning of 'Income and Expenditure Account' and its difference from 'Profit and Loss Account'.
- Acquire skill for preparing Income and Expenditure Account and Balance Sheet of "Not for Profit" Concern.

8. SINGLEENTRY SYSTEM

- > Introduction.
- > Meaning of Single Entry System.
- > Difference between Single Entry and Double Entry System.
- Preparation of Statements
- > Additional Information :

- (i) Additional Capital
- (ii) Drawings(iv) Bad Debts
- (iii) Depreciation on Fixed Asset
- (v) Reserve for Doubtful Debts
- (vi) Undervaluation and Overvaluation of Assets and Liabilities
- (vii) Interest on Loan
- (viii) Interest on Capital(x) Partners' Salary
- (ix) Interest on Drawings(xi) Outstanding / Unpaid Expenses
- (xii) Prepaid Expenses / Expenses Paid in Advance.

(xiii) Illustrations

Learning objectives : After studying this chapter, students will be able to understand

- Meaning of Single Entry System.
- > The difference between Single Entry System and Double Entry System.
- Preparation of Opening Statement of Affairs, Closing Statement of Affairs and Statement of Profit or Loss.
- > The difference between Balance Sheet and Statement of Affairs.

9. BILL OF EXCHANGE (ONLY TRADE BILL)

- > Introduction, Necessity, Meaning and Definition of Bill of Exchange.
- Draft/Format of Bills, Parties to the Bill of Exchange, Acceptance of Bill, Terms of Bill, Days of Grace, Date of Maturity, Due Date and Types of Bill.
- > Honouring of Bill, Dishonour of Bill, Noting and Protesting of Bill, Notary Public and Noting Charges.
- > Accounting Treatment of Bill by the Drawer / Holder and Drawee in following cases :
 - (i) Retaining the Bill till due date, Honour/Dishonour, Insolvency of the Drawee/Acceptor.
 - (ii) Endorsement of the Bill, Honour/Dishonour and also Insolvency of Acceptor.
 - (iii) Discounting the Bill with the Bank Honour/Dishonour and Insolvency.
 - (iv) Sending the Bill to the Bank for Collection, Honour/Dishonour and Insolvency.
 - (v) Renewal of Bill-Reasons for Renewal of the Bill. Renewal of Bill with or without charging interest.
 - (vi) Making part payment of basic amount, interest an noting charges and drawing of New Bill.
 - (vii) Honour/Dishonour of New Bill.
 - (viii) Insolvency of the Acceptor and Settlement of his Account.
 - (ix) Retirement of Bill.
 - (x) Journal Entries and Ledger

Learning Objectives : After studying this chapter students will be able to :

- > Define and explain the meaning of a Bill of Exchange
- > Explain different concepts used in Bill of Exchange.
- Prepare draft of Bill of Exchange.
- Explain the different types of Bill of Exchange.
- Understand Retaining, Sending Bill for Collection, Discounting, Endorsing, Honour, Renewal and Retiring of the Bill.
- > Explain the accounting treatment of Bills of Exchange.

10. COMPANY ACCOUNTS PART-I ACCOUNTING FOR SHARES

- Share and Share Capital : Meaning, Nature and Types
- Accounting for Share Capital : Issue and Allotment of Equity Shares. Private Placement of Shares. Public Subscription of Shares. Over Subscription and Under-subscription of Shares. Issue at Par and Premium, and at Discount, Calls in Advance in Arrears, Issue of Shares for Consideration other than Cash

(x) Partners eenses (xii) Prepaid

- > Accounting treatment of Forfeiture and Re-issue
- Disclosure of Share Capital in Company's Balance Sheet (Horizontal form) Learning Objectives: Afterstudying these topics, the students will able to:
- > Learn the Types of Shares and Share Capital.
- > Understand the concept of Public Subscription and Private Placement.
- Know the Concept of Under and Over-subscription of Shares and Accounting Treatment if Shares are issued at Par at Premium and at Discount.
- Differentiate the accounting treatment for Under-subscription and Oversubscription of Shares as well as Calls in Arrears and Calls in Advance.

11. COMPANY PART-II ACCOUNTING FOR DEBENTURES

- > Debentures : Meaning, Issue of Debentures at Par, at Premium and at Discount
- \succ Issue of Debentures for Consideration other than Cash and Interest on Debentures
- Learning Objectives : After studying these topics the students will able to know :
- ➢ Concept of Debentures.
- > Distinction between Debentures and Shares.
- ➢ Types of Debentures.
- > Procedures for Issue of Debentures.
- > Accounting entries for Issue of Debentures.

12. ANALYSIS OF FINANCIAL STATEMENTS

- > Debentures : Meaning, Issue of Debentures at Par, at Premium and at Disco
- > Financial Statement Analysis : Meaning, Objectives and Limitations/
- Tools for Financial Statement Analysis : Meaning of Comparative Statements, Common-sized Statements, Cash Flow Analysis and Ratio Analysis.
- > Accounting Ratios : Meaning, Objectives and Classification of Ratios.
- Introductions to Current Ratio, Liquid Ratio, Gross Profit Ratio, Operating Profit Ratio and Net Profit Ratio. ROI, ROCI.

Learning Objectives : After studying these topics, students will able to know :

- > Meaning, Objectives and Limitations of Financial Statement Analysis.
- > Tools for Financial Statement Analysis.
- Comparative Statements
- Common-sized Statements
- > Cash Flow Analysis
- > Meaning, Objectives and Classification of Accounting Ratios and Ratio Analysis

Examination Paper

Maharashtra HSC Exam February 2018

Set No. J-309

Time : 3 Hours

General Instructions :

- 1. All questions are compulsory.
- 2. Draw tables / diagrams wherever necessary.
- 3. Figures to the right indicate full marks.
- 4. Write answers to all questions on new pages.

1. Attempt any THREE of the following sub-question :

- (A) Answer the following questions in only 'one' sentence each :
 - (1) What is 'trial balance' ?
 - (2) What is 'entrance fees' ?
 - (3) What is 'qualified acceptance'?
 - (4) When is gain ratio required to be calculated ?
 - (5) What is the formula for calculating gross profit ratio ?
- (B) Write a word / term / phrase as a substitute for each of the following statements
 - (1) The assets which are not recorded in the books of accounts.
 - (2) The excess of total assets over total liabilities.
 - (3) The person in whose favour the bill is transferred.
 - (4) The proportion in which the continuing partners are benefitted due to retirement of a partner.
 - (5) The system of accounting normally suitable for a small business organization.

(C) Select the most appropriate alternative from those given below and rewrite the statements :

- (1) When shares are forfeited, share capital account is
- (b) credited (a) debited (d) none of these (c) adjusted (2) A bill is drawn on 23rd October, 2016 payable after 3 months, the due date of the bill will be (a) 25th January, 2017 (b) 26th January, 2017 (c) 24th January, 2017 (d) 25th January, 2016 (3) The capital balances are ascertained by preparing (a) Statement of Affairs (b) Cash Account (c) Drawings Account (d) Debtor's Account (4) If any unrecorded liability is paid on dissolution of the firm is debited. (a) Cash / Bank Account (b) Realization Account
 - (c) Partners' Capital Account (d) Partners' Loan Account
- (5) Return outwards are deducted from _____.
 (a) purchases
 (b) sales
 (c) capital
 (d) debtors

To know about more useful books for class-12 <u>click here</u>

Book Keeping and Accountancy

Max. Marks: 80

5

5

15

(D) State whether the following statements are True of False :

- (1) Closing stock is always valued at market price.
- (2) Retirement of bill means payment of the bill before due date.
- (3) Share forfeited balance is transferred to Capital Reserve Account.
- (4) Gross profit depends upon not sales.
- (5) The inland bill which is drawn and payable in the same country.
- (E) Prepare a format of a Bill of Exchange from the following information :

Mr. Akash Sane, 42, 'Sagar', Bandar Road, Ratnagiri, draws a three months bill on Mrs. Magha Kale, Vishram Baag, Sangli, for ₹ 16,500 on 1st December 2016, which was accepted on 4th December, 2016, for ₹ 15,000 only by Mrs. Megha Kale.

Miss Kalpana started her business with a capital of ₹ 1,30,000 on 1st April, 2015. Her financial position on 31st March 2016 was as follows :

	Amount (₹)
Cash	9,120
Stock	10,250
Bills payable	12,880
Creditors	17,180
Debtors	31,000
Prepaid insurance	550
Bills receivable	29,120
Premises	85,800
Vehicles	40,200

Additional information :

- (1) Miss Kalpana brought additional capital of ₹ 20,000 on 30th September, 2015.
- (2) Interest on capital is to be allowed at 5% p.a.
- (3) She withdrew ₹ 10, 000 for personal use.
- (4) Reserve for doubtful debts is to be provided at $2\frac{1}{2}$ % after writing off bad debts of ₹ 1,000.
- (5) Depreciate vehicles at 10% p.a. and premises at 5 % p.a.
- (6) Creditors were overvalued by \gtrless 2,180.

Prepare :

- (1) Closing Statement of Affairs as on 31.03.2016.
- (2) Statement of Profit or Loss for the year ended 31.03.2016.

OR

- (A) State and explain any 'four objectives' of analysis of financial statement from a business concern's point of view.
- (B) What are the different cash inflows and cash outflows of investing activities ?
- 3. The Balance Sheet of Meena and Heena who shared the profits and losses in the ratio of 2:1 is as under: 10

Balance Sheet as on 31st March, 2016

Liabilities	Amount (₹)	Assets		Amount (₹)
Capital :		Leasehold property		20,000
Meena	1,34,000	Livestock		6,600
Heena	1,20,000	Loose tools		90,200
Creditors	53,800	Stock		86,800
Rent outstanding	10,000	Debtors	48,000	
Reserve fund	7,200	Less : R.D.D.	2,000	46,000
		Bank		75,400
	3,25,000			3,25,000

To know about more useful books for class-12 click here

8

5

4

On 1st April, 2016 Seema was admitted as $\frac{1}{4}$ th partner on the following terms :

- (1) Seema should bring in ₹ 1,20,000 towarsds her capital.
- (2) Firm's goodwill is valued at ₹ 1,44,000 and Seema agreed to bring her share in the firm's goodwill by a cheque.
- (3) Reserve for doubtful bebts should be maintained at 7.5% on debtors.
- (4) Increase live stock by ₹ 4,400 and write off loose tools by 20%.
- (5) Outstanding rent 9,040 is paid in full settlement.

Prepare :

- (1) Profit and Loss Adjustment Account
- (2) Partners' Capital Account
- (3) Balance Sheet of the new firm

OR

Ashish, Satish and Manish were partners in business profits and losses in the ratio of 3 : 1 : 1 respectively. Their Balance Sheen as on 31st March, 2016 was as follows :

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital accounts :		Plant and machinery	70,000
Ashish	80,000	Stock	50,000
Satish	60,000	Debtors	40,000
Manish	50,000	Cash	60,000
Creditors	10,000		
Reserve fund	20,000		
	2,20,000		2,20,000

Balance Sheet as on 31st March, 2016

Manish died on 1st October, 2016 and the partnership deed provided that :

- (1) The deceased partner to be given his share of profit upto the date of death on the basis of the profit of the previous year.
- (2) His share of goodwill will be calculated on the basis of two years' purchase of average profit of the last four years.

The net profits for the last four years were :

First year : ₹ 1,40,000,		Second year : ₹ 1,10,000.
--------------------------	--	---------------------------

- Third year : ₹ 90,000. Fourth year : ₹ 60,000.
- (3) Plant and machinery to be valued at ₹ 80,000. Reserve for doubtful debts of ₹ 4,000 to be created.
- (4) The drawings of Manish up to the date of death amounted to ₹ 40,000.
- (5) Interest on capital is to be allowed at 10% p.a. and interest on drawings is charged at 6% p.a.

Prepare :

- (1) Profit and Loss Adjustment Account.
- (2) Manish's Capital Account.
- (3) Wording of Manish's share in profit and goodwill.
- 4. Sayali sold goods on credit to Manali of ₹ 40,000. Sayali draws a bill on Manali for 4 months for the amount due. Manali accepted the bill and returned it to Sayali. After a month, Sayali discounted the bill with her bank at 12% p.a.

On the due date, bank informed that the bill is dishonoured and bank paid the noting charges \gtrless 300. Manali requested Sayali to renew the bill. Sayali agreed on conditions that Manali should pay \gtrless 20,000 in cash along with noting charges and accept a new bill for the balance amount with interest at 15% p.a. for 3 months.

These arrangements were carried through. Before the due date Manali was declared insolvent and only 40% of the amount due could be recovered from her private estate as final dividend. Give Journal Entries in the books of Sayali. 10

To know about more useful books for class-12 click here

5. Ashwin, Bhavin and Pravin carried on business. They share profits an losses in the ratio of 5 : 3 : 2 respectively. Their Balance Sheet as on 31st March, 2016 was as under : 10

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry creditors	42,000	Plant and machinery	40,000
Bhavin's loan	10,000	Investment	16,000
Reserve fund	40,000	Stock	
Capital accounts :		Debtors 36,000	
Ashwin	40,000	<i>Less</i> : R.D.D. <u>2,000</u>	
Bhavin	20,000	Bank	
Pravin	8,000		
	1,60,000		1,60,000

Balance Sheet as on 31st March, 2016

On the above date, the firm was dissolved, and the assets realised were as under :

- (1) Investment ₹ 10,000. Stock ₹ 48,000, and Debtors ₹ 30,000.
- (2) Plant and machinery were taken over by Ashwin at book value.
- (3) Sundry creditors and Bhavin's loan were paid in full.
- (4) Realisation expenses incurred ₹ 2,000.

Prepare :

- (1) Realisation Account
- (2) Partners' Capital Account
- (3) Bank Account

OR

Aniket Ltd issued 40,000 equity shares of ₹ 100 each payable as follows :

On application	₹ 20	
On allotment	₹ 30	
On first call	₹ 30	
On second call	₹ 20	

The company received applications for 50,000 equity shares. Allotment of shares was made on pro-rata basis. Excess application money were adjusted to allotment. Share allotment and calls were made and also received, except Mr. Sanish who was holding 1,000 shares failed to pay both the calls. His shares were forfeited after the second call.

Record the above transactions in the books of Aniket Ltd.

6. Form the following Receipts and payments Account of A. S. C. College of Commerce, Ramanand Nagar, for the year ending 31st March, 2016 and additional information, prepare Income and Expenditure Account for the year ending 31st March, 2016 and Balance Sheet as on that date.
 12

Receipts and Payments Account

for the year ended on 31 March, 2016

Cr.

Receipts	Amount (₹)	Payments	Amount (₹)
•		5	()
To Balance b/d		By Salaries	67,000
Cash in hand	7,950	By Electricity	26,200
Cash in bank	50,800	By Books	41,300
To Life membership fees	20,500	By Furniture	45,000
To Donations	1,00,000	By Stationery	18,000
To Tuition fees	1,30,000	By Fixed deposits	2,00,000
To Term fees	1,00,000	By Balance c/d	

Dr.

To know about more useful books for class-12 click here

11

		Cash	1,450
To Admission fees	40,000	Bank	50,000
	4,49,250		4,49,250

Additional information :

(1)

Particulars	01.04.2015 Amount (₹)	31.03.2016 Amount (₹)
Furniture	40,000	75,000
Building	1,50,000	
Fixed deposits	1,60,000	
Capital Fund	1,20,750	—

(2) 50% of donations are received for building fund.

(3) Life membership fees are to be capitalised.

- (4) Tuition fees includes ₹ 12,000 received for the last year.
- (5) Outstanding tuition fees for the current year amounted to ₹ 4,200.
- Given below is the Trial Balance of M/s. Shailesh and Nilesh as on 31st March, 2016. You are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date : 15

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Opening stock	88,000	Capital accounts :	
Purchase	1,76,000	Shailesh	1,20,000
Wages	23,500	Nilesh	1,20,000
Salaries (10 months)	18,000	Sundry creditors	1,03,000
Office expenses	8,000	Bank overdraft	60,000
Bank charges	2,600	Sales	3,08,000
Machinery	90,000	Current accounts :	
Land and building	1,30,000	Shailesh	5,000
Bad debts	4,000	Nilesh	4,000
Sundry debtors	82,000		
Electricity charges	9,900		
Furniture	43,000		
8% Debentures (1.10.2015)	40,000		
Drawings :			
Shailesh	3,000		
Nilesh	2,000		
	7,20,000		7,20,000

Trial Balance as on 31.03.2016

Adjustments :

- 1. Stock on 31st March, 2016 was valued at market price of ₹ 84,000, which was 20% above its cost price.
- 2. Depreciate machinery at 10% p.a.
- 3. Create reserve for bad and doubtful debts at 5% on sundry debtors.
- 4. Provide interest on capital at 8% p.a.
- **5.** Machinery includes purchase of machinery for $\overline{\mathbf{x}}$ 40,000 on 1st January, 2016.

Solutions

- **1. (A) (1)** A Trial Balance may be defined as a statement(or a schedule) listing in the separate columns, the debit and credit balances of accounts on a particular date.
 - (2) Entrance fees is paid by those persons who wish to become a member of the organisation.
 - (3) If the drawee of a bill of exchange accepts condition of a bill, it is called qualified acceptance.
 - (4) The ratio in which the continuing partners decide to share the retiring partners' share in the profits is called Gain Ratio.
 - (5) ???

12

- **(B)** (1) Personal Transaction of owner.
 - (2) Capital.
 - (3) Endorsee.
 - (4) Gaining Ratio.
 - (5) Single entry system.
- (C) (1) (a) Debited.
 - (2) (b) 26th January, 2017.
 - (3) (a) Statement of Affairs.
 - (4) (b) Realisation A/c.
 - (5) (a) Purchases.
- **(D)** (1) False (2) True (3) True (4) True (5) True.
- **(E)**
- Stamp

BILL OF EXCHANGE

Mr. Akash Sane 42, Sagar, Bandar Road, Vishram Baag,

₹ 16,500

Three months after date, pay to me or my order the sum of rupees Sixteen Thousand Five Hundred only, for the value received

Sd/- Mr. Akash Sane

To Mrs. Megha Kale Vishram Baag

> Accepted for ₹ 15,000 Sd/- Mrs. Megha Kale 4th December, 2016

Statement of Afraid (Before Adjustment)

as at 31st March, 2016

Liabilities	Amount (₹)	Assets	Amount (₹)
Bills Payable	12,880	Cash	9,120
Creditors	17,180	Stock	10,250
Capital Fund (Balancing fig.)	1,75,980	Debtors	31,000
	0	Prepaid Insurance	550
	0	Bills Receivable	29,120
	0	Premises	85,800
	0	Vehicle	40,200
	2,06,400		2,06400

Statement of Affairs

for the year ended 31 March, 2016

ParticularsAmount (₹)Capital on 31 March 2016 before making adjustment1,75,980To know about more useful books for class-12 click here1

2.

Add : Drawing		10,000
		1,85,980
Less : Capital introduced during the year Adjusted Capi	tal at end	20,000
		1,65,980
Lees : Capital in beginning Profit before adjustment		1,30,000
		35,930
Less : Depreciation on vehicle	4,020	
depreciation on premises	<u>4,290</u>	8,310
		27,670
Less : Interest on capital	6,500	
Bad debts	1,000	
RDD	750	8,250
		19,420
Add : Creditors overruled Net Profit for the year		2,180
		21,600

Statement of Afraid (Revised) as at 31 March, 2016

Liabilities		Amount (₹)	Assets	6	Amount (₹)
Bills Payable		12,880	Cash		9,120
Creditors	17,180		Stock		10,250
El overvalued	2,180	15,060	Debtors	31,000	
Capital	1,30,000		(-) Bad debts	1,000	
Add : Capital Intratued	20,000		(-) RDD	750	29,250
	1,50,000		Prepaid insurance		550
Add : Net Profit	21,600		Dills Receivable		29,120
Add : interests capital	6,500		Premises	85,800	
	1,78,100	1,68,100	(-) Deprecation	4,290	81,510
Less : Drawing	10,000		Vehicle	40,200	
			(-) Deprecation	4,020	36,180
	2	1,95,980			1,95,980

OR

1. (A) Objectives of Financials Statement Analysis :

- (i) Financial Statement Analysis help to pinpoint the areas wherein the managers have shown efficiency and the areas of inefficiencies.
- (ii) On the basis of Financial Statement Analysis, the solvency of the concern may be judged.
- (iii) Past Financial Statement Analysis help a great deal in assessing developments in future, specially the next years.
- (iv) Analysis of Financial Statement helps in judging the efficiencies as well as inefficiencies of the business.
- (B) Different Cash Inflows and Cash Outflows of Investing Activities :

S.No.	Cash Inflows	Cash Outflows
1.	Sale of property including intangibles.	Purchase of fixed assets
2.	Disposal of shares and other investments	Cash payments for acquiring the shares and other investments
3.	Interest and dividend received	Payment of brokerage and commission par using the investments
4.	Example : Sale of machines and buildings	Example : Purchase of machines and buildings

To know about more useful books for class-12 click here

OSWAAL Maharashtra HSC Solved Paper - 2018, BOOK KEEPING & ACCOUNTANCY, Class-XII

3.

14

31 the Book of firm Profit and Loss Adjustment AC

Dr.

Particulars Particulars Amount (₹) Amount (₹) To Reserve for Doubtful Debts 1,600 By live stick 4,450 To Loose Tools 18,040 By outs tending Rent 960 By Loss trusters to Meena's capital A/c 9520 Heena's capital A/c 4760 14,280 19,640 19,640

Partner's Capital A/c

Cr.

9

Cr.

Dr.							Cr.
Particulars	Meena (₹)	Heena (₹)	Seean (₹)	Particulars	Meena (₹)	Heena (₹)	Seean (₹)
To Profit and loss Adjustment	9,520	4,760		By balance b/d	1,34,000	12,000	
				By Reserve fund	4,300	2,400	
				By Bank A/c			1,20,000
				By Premium for Gwdwill A/c	24,000	12,000	
To Balance c/d	1,53,280	1,29,640	1,20,000				
	19,640	19,640	19,640		1,62,800	1,34,400	1,20,000

Balance Seheet as on Ist April, 2016

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/c :			Leasehold Property		20,000
Meena :	1,53,280		Live stock	6,600	
Heena :	1,29,640		(+) Appreciation	4,400	11,000
Seema :	1,20,000	4,02,920	Loose Tools	90,200	
			(–) Dep	<u>18,040</u>	72,160
Creditors		53,800	Stock		86,800
			Debtors	48,000	
			Less : RDD	3,600	44,400
			Bank (75400 + 120000 + 3	36000 – 9,040)	2,22,360
		4,53,720			45,6720

OR In the Book of Firm Profit and Loss Adjuctment A/c

Dr.

Particulars		Amount (₹)	Particulars	Amount (₹)
To Reserve for Doubtful Debts D	r. b/s	4,000	By Plant and Machine	10,000
By Profit Hcl. to partner's capital A/c				
Ashish 3,600				
Satish 1,200				
	1 1	C 1	10 1:1 1	

To know about more useful books for class-12 <u>click here</u>

Manish	1,200	6,000	
		10,000	10,000

Manish's Capital A/c

Dr.

1.

2.

3.

4.

Particulars Amount (₹) Particulars Amount (₹) To Drawing 4,000 By Balance b/d 50,000 1,200 By Reserve fund 4,000 To Mterest on drawing By Profit and Loss Adjustment A/c 1,200 By Profit and Loss Suspense A/c 6,000 By Interest on Capital A/c 2,500 To Manish's Eneustor A/c By Ashish's Capital A/c 30,000 By Satish's Capital A/c 10,000 1,03,700 1,03,700 Working Note : Manish's Profit = $60,000 \times$ ⇒ ₹ 60,000 Interest on capital = $50,000 \times \frac{10}{100} \times \frac{6}{12}$ 6 6 Interest on Drawing = ₹ 40,000 × $\overline{100}^{\times}\overline{12}$ = ₹1,200 4. Calculation of Manish's Goodwill : 1,40,000 + 1,10,000 + 90,000 + 60,000Average Profit 4 4,00,000 1,00,000 \Rightarrow Goodwill of the firm $= 1,00,000 \times 2$ ⇒₹20,000 Manish's Share = $20,000 \times \frac{1}{5}$ ⇒₹40,000 Ashish's Capital A/c 30,000 Satish's Capital A/c 10,000 To Manish Capital A/c 40,000. In the book of Sayali

Journal

Date	Particulars		L.F	Dr. (₹)	Cr. (₹)			
Dale of Sale	Manali To Seles a/c (Being Goods cold to Manali)	Dr.		40,000	40,000			
Date of Acceptance	Bill Receivable A/c To Manali (Being Bill drawn for 4 months)	Dr.		40,000	40,000			
Date of	Bank A/c	Dr.		38,800				
Dishonour	Discount A/c To Bill Receivable A/c (Being Bill discount at 12% p.a.)	Dr.		1,200	40,000			
To know	To know about more useful books for class-12 <u>click here</u>							

15

Cr.

Date of Dishonour	Manali To Bank A/c (Being Bill dishonoured, noting charge paid)	Dr.	40,300	40,300
Date of Renewal	Cash A/c To Manali (Being Cash Received from Manali)	Dr.	20,300	20,300
	Manali To Manali (Being Interest due)	Dr.	750	750
	Bills Receivable A/c To Manali (Being Bill Renewed)	Dr.	20,750	20,750
Date of Dshonou and Insolvency	Manali To B/R (Being Renewed Bill Dishonour)	Dr.	20,750	20,750
	Bank A/c Bad Debts A/c To Manali (Being Drawee in solve and 40% realised)	Dr. Dr.	8,300 12,750	
				19,640

Working Note :

Amount of Discount =
$$40000 \times \frac{12}{100} \times \frac{3}{12}$$

⇒₹ 1200.

5.

Realisation A/c

Particulars	Amount (₹)	Particulars	Amount (₹)
Plant and Marching	40,000	Sundary creditors	42,000
Investment	16,000	Rescue for doubtful Des Bank A/c	2,000
Stock	60,000	Investment 10,000	
Debtors	36,000	Stock 48,000	
Bank A/c Sundry creditors	42,000	Debtors 30,000	88,000
Bank A/c Realisation expose	2,000	Ashwin's capital A/c (Pint and Ma- chinery)	40,000
		By Loss tfd. to penetrant's capital A/c	
		Ashwin's capital 12,000	24,000
		Bhavin's capital 7,200	
		Pravin capital 4,800	
	1,96,000		1,96,000

Partner's Capital A/c

Particulars	Ashwin (₹)	Bhavin (₹)	Pravin (₹)	Particulars	Ashwin (₹)	Bhavin (₹)	Pravin (₹)
To Realisation (Plant marching)	40,000			Balance b/d	40,000	20,000	8,000
To Realisation (Loss)	12,000	7,200	4,800	Reserve fund	20,000	12,000	8,000
To Bank A/c	8,000	24,800	11,200				
	60,000	32,000	16,000		60,000	32,000	16,000

To know about more useful books for class-12 <u>click here</u>

Particulars	Amount (₹)	Particulars		Amount (₹)
To Balance b/d	10,000	By Realisation		42,000
To Realisation	88,000	By Realisation		2,000
		By Ashwin capital A/c	8,000	
		By Bhavin capital A/c	4,800	
		By Pravin capital A/c	11,200	44,000
		By Bhavin wen A/c	C	10,000
	98000			98,000

Bank A/c

OR

In The Books of Ankita capital Ldt. Journal Entries

	· · · · · · · · · · · · · · · · · · ·				
Date	Particulars		L.F.	Debit Amount (₹)	Credit Amount (₹)
1.	Bank A/c To share Application A/c (Being application money Received on 50,000 shares	Dr. s for ₹ 20 each)		10,00,000	10,00,000
2.	Share Application A/c To Share capital A/c To share allotment A/c (Being Application money adjusted)	Dr.		10,00,000	8,00,000 2,00,000
3.	Share Allotment A/c To share capital A/c To Bill Receivable A/c (Being Allotment money due)	Dr.		12,00,000	12,00,000
4.	Bank A/c To Share Allotment A/c (Being Allotment money due)	Dr.		10,00,000	10,00,000
5.	Share first capital A/c To share capital A/c (Being share I st class money due)	Dr.		12,00,000	12,00,000
6.	Bank A/c To Share First Call (Being First call money Received)	Dr.		11,70,000	11,70,000
7.	Share second call A/c To Share Capital A/c (Being Amount duem second call)	Dr.		8,00,000	8,00,000
8.	Bank A/c To Share second call A/c (Being Money receival on second call)	Dr.		7,80,000	7,80,000
9.	Share Capital A/c To share for feature A/c To share first call To share second capital (Being 1,000 shares forfeited)	Dr.		1,00,000	50,000 30,000 20,000

6.

Income The Interdictors A/c

For the tear ended 31 March 2016

Expenditure	Amount (₹)	Income	Amount (₹)
Salaries	67,000	Donation	42,000
Electricity	26,200	Tuition fees 1,30,000	2,000
Stationery	18,300	(–) Fees for last year 12,000	

To know about more useful books for class-12 <u>click here</u>

Depreciation on Furniture	10,000		18,000	
Surplus	1,90,700	(+) Fees for current year	4,200	1,22,200
		Term Fees		10,00,000
		Admission Fees		4,00,000
	3,12,200			3,12,200

Balance Sheet

as on 31 March, 2016						
Liabilities		Amount (₹)	Assets	Amount (₹)		
Capital Fund	1,20,750	311,450	Cash	1,450		
(+) Surplus	<u>1,90,700</u>		Bank	50,000		
Life Membership Fees		20,500	Outstanding Tuition fees Furniture	4,200 75,000		
Building Fund	1,50,000		Fixed Deposit (160000 + 200000)	3,60,000		
(+) Donation	50,000	2,00,000	Books	41,300		
		5,31,950		5,31,950		

Dr.

Working Note

Furniture A/c

Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
1-4-15	To Balance b/d	40,000	31-3-16	By Dep.	10,000
1-4-15	To Bank Purchase	45,000	31-3-16	By oiliness c/d	75,000
		85,000			85,000

7.

Trading and profit and Loss A/c

For the year 31-3-16

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock	88,000	Sales	3,08,000
Purchase	1,76,000	Closing Stock	70,000
Wages	23,500		
Gross Profit tfd. to P&L A/c	90,500		
	37,80,000		37,80,000
Salaries 18,000		Gross Profit	90,500
(+) o/s salary <u>3,600</u>	21,600	Intersection Debenture (at 8% p.c.)	1,600
Office expenses	8,000		
Bank charges	2,600		
Bad debts 4,000			
+ Provision for Bad debts <u>4,100</u>	8,100		
Depreciation on Machinery (5,000 + 1,000)	6,000		
Electricity charge	9,900		
Net Profit	35,900		
	92,100		92,100

Dr.

Partners currant A/c

To know about more useful books for class-12 <u>click here</u>

Particulars	Shailesh (₹)	Nilesh (₹)	Particulars	Shailesh (₹)	Nilesh (₹)
Drawing	3,000	2,000	Balance b/d	5,000	4,000
			Interest capital	9,600	4,600
Balance c/d	19,950	19,950	By profit Loss APP. A/c	8,950	8,350
	22,950	21,950		22,950	21,950

P & L App. A/c

		r	F · · · · · ·	
Inters in capital			Net Profit	35,900
Shailesh	9,600			
Nilesh	9,600	19,200		
Profit tal to Partner	s canens A/c			
Shailesh	8,350			
Nilesh	8,350	19,700		
		35,900		35,900

Balance Sheet

as on 31-3-16

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital A/c :			Machinery	90,000	
Shailesh :	1,20,000		(–) Dep	6,000	84,000
Nilesh :	1,20,000	24,000	Land and Building		13,000
Carnet A/c			Debtors	82,000	
Shailesh :	19,950		(-) Provision balance	4,100	77,900
Nilesh :	<u>19,950</u>	39,900	Furniture		40,000
Sundry creditor		1,03,000	Debenture	4,000	
Balance medrelt		60,000	(+) Acenad Interest	21,600	41,600
O/s salary		3,600	Choosing stocks		70,000
		4,46,500			446,500

Working Note :

Market value of closing Stock = 84,000

Cost value of Closing stock =
$$84,000 \times \frac{100}{1,200}$$

$$\Rightarrow 700 \times 100$$
$$\Rightarrow 70.000$$

Closing stock is taken on market value or cuts value whichever is lower

2. Depreciation on mashing

$$50,000 \times \frac{10}{100} = 5,000$$
$$4,000 \times \frac{10}{100} \times \frac{3}{12} = \frac{1,000}{60,000}$$

Total Depreciation

3. Interest on debentures.

$$40,000 \times \frac{8}{100} \times \frac{6}{12}$$
.

To know about more useful books for class-12 <u>click here</u>