SRI BHAGAWAN MAHAVEER JAIN COLLEGE

Vishweshwarapuram, Bangalore 560004

Mock Examination Question Paper-2 (January 2019)

Course:	II PUC	**Subject:**	Accountancy
Max. Marks:	100	**Duration:**	3:15 hrs.

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 one mark. 8x1=8

1. Subscription is paid by _______.
2. Name any one Content of partnership deed.
3. Goodwill is an _________ asset.
4. Abhishek, Rajat and Vivek are partners sharing profits in the ratio of 5:3:2. If Vivek retires, the New profit sharing ratio between Abhishek, and Rajat will be.
   (a) 3:2 (b) 5:3 (c) 5:2 (d) None of the above.
5. Call money received in advance is called ________ .
6. State any one kind of debenture.
7. Name any one internal user of financial statements.
8. Give the meaning of analysis.
9. Quick Ratio known as _______
10. True or False: According to revised AS3, preparation and presentation of cash flow statement is mandatory for all listed companies.

SECTION-B

II. Answer any five questions, each question carries Two marks. 5x2=10

11. Give two features of Receipts and payments Account.
12. What is fluctuating capital system?
13. What do you mean by hidden goodwill?
14. What is Realisation account?
15. What is calls in arrears?
16. State any two features of financial statements.
17. What do you mean by commonsize statements?
18. What do you mean by investing activities?

SECTION-C

III. Answer any FOUR questions, each question carries TWO marks. 4x6=24

19. Murthy and Patil are partners in a firm sharing profits and losses in the ratio of 3:2 Murthy withdraw ₹4000 quarterly at the beginning of each quarter. Calculate interest on drawings at 9% p.a for the year ending 31.03.2017. Under product method.

20. Deepa and Seema are partners sharing profits and losses in the ratio of 3:2. They admit Roopa into the partnership and give her 1/4th share. Calculate the new profit share ratio.

21. Reddy, Ramesh and Fayaz are the partners in the business sharing profits and losses in the ratio of 2:2:1 respectively. Their balance sheet as on 31.03.2017 was as follows:-

Balance sheet as on 31.3.2017

Liabilities	₹	Assets	₹
Creditors	40,000	Cash in Bank	30,000
Bills payable	10,000	Bills receivable	15,000
Reserve fund	20,000	Debtors	40,000
Capitals:- Reddy	50,000	Stock	30,000
Ramesh	30,000	Furniture	10,000
Fayaz	20,000	Buildings	45,000
	1,70,000		**1,70,000**

Ramesh died on 31st July 2017, and the partnership deed provided as follows.
(i) The deceased partner will be entitled to his share of reserve fund, in the addition to his capital as per the last balance sheet.
(2) He will be entitled to his share of accrued profit, calculated on the basis of previous year's profit.
(3) His share of goodwill of the firm. Calculated on the basis of three years purchase of the average profit of last 4 years as follow:-
2013-14- ₹50,000
2014-15- ₹80,000
2015-16- ₹40,000
2016-17- ₹30,000
(4) Interest on capital at 6% per annum to be allowed
(5) Drawings made by Ramesh upto his death ₹3000
Surviving partners agreed that ₹19600 should be paid to the executor immediately and balance amount is transferred to their loan account show Ramesh capital account and his executors loan account.

22. Prabha Ltd issued 5000 10% debentures of ₹100 each payable:-
₹10 per debenture on application
₹40 per debenture on allotment
₹50 per debenture on first and final call.
All debentures were subscribed and money duly received. Pass journal entries in the books of company.

23. From the following information prepare statement of profit and loss for the year ended 31.3.2018 as per schedule III of companies Act 2013.

Particular	₹
Revenue from operations	500,000
Purchase of goods	300,000
Salaries to employees	40,000
Leave encashment	10,000
Rent and taxes	30,000
Repairs to Machinery	20,000
Tax	30%

24. From the following information calculate the current ratio and quick ratio.

Current Assets	240,000
Current Liabilities	60,000
Quick Assets	1,20,000

25. Arun ltd, arrived a net income of ₹500,000 for the year ended march 31,2017 depreciation for the year ₹100,000, profit on sale of assets ₹50,000 transferred to statement of profit and loss. Trade receivables increased during the year ₹40,000 and trade payable also increased by ₹60,000. Compute cash flow from operating activities by indirect method.

SECTION-D

IV. Answer any Four questions, each question carries TWELVE marks. 4x12=48

26. Following is the balance sheet and receipts and payments account of a charitable trust for year ending 31.3.2017.

Balance sheet as on 31.3.2017

Liabilities	₹	Assets	₹
Capital fund	3,20,000	Buildings	3,00,000
Subscriptions received in advance.	6,000	O/S Debtors for subscriptions	3,800
O/S expenses	14,000	O/S Debtors for locker rent	2,400
Loan	50,000	Cash in hand	1,00,000
Income and Expenditure account	16,200		
	4,06,200		4,06,200

Dr. Receipts and Payments Account for the year ending 31.03.2018 Cr.

Receipts		Amount (₹)	Payments		Amount (₹)
To Balance b/d		1,00,000	By Expenses:-		
To Subscriptions			2016-17	12,000	
2016-17	2,000		2017-18	20,000	32,000
2017-18	21,000		By cost of lease hold land		40,000
2018-19	1,500	24,500	By Investments		4,000
To Entrance fees		8,000	By Refreshment expenses		20,000
To Locker Rent		7,000	By Balance c/d		83,500
To Income from Refreshments		40,000			
		1,79,500			**1,79,500**

Adjustments:-
1. Expenses due but not paid ₹5000
2. Subscriptions due but not received ₹1000
3. Salary due but not paid ₹2000
4. Depreciation on building ₹20,000
5. One half of the entrance fees to be capitalized.

Prepare:-
Income and expenditure account for year ending 31.03.2018. Balance sheet as on that date.

27. Hari, Giri and Suri were partners sharing profits and losses in the ratio of 5:2:1 their balance sheet as on 31.3.17 was as under.

Liabilities	₹	₹	Assets	₹	₹
Creditors		15,000	Cash at bank		5,000
Bills payable		9,000	Bills Receivable		12,600
Reserve fund		16,000	Debtors	30,000	
Capital:-			Less; provision	1600	28,400
Hari	50,000		stock		20,000
Giri	30,000		Machinery		50,000
Suri	10,000	90,000	Motor car		14,000
		1,30,000			**1,30,000**

Suri Retired. The following adjustments are to be made.
1. Stock to be increased by 20%
2. Machinery and motor car depreciated by 5% and 10%.
3. Provision for doubtful debts to be brought up by 10% on debtors.
4. Outstanding power charges to be provided for ₹1,100
5. Goodwill of firm was raised for ₹35,000 and it has to be written off, immediately after Suri's retirement.

Prepare:-
Revaluation account
Capital accounts of partners
Balance Sheet of firm.

28. Anil, and Sunil were partners in a firm. Their balance sheet as on 31.3.18 was as follows

Balance sheet as on 31.3.18

Liabilities	**₹**	**Assets**	**₹**
Creditors	10,000	Cash	5,000
Bills Payable	6,000	Debtors	15,000
Bank Overdraft	4,000	Stock	18,000
Mrs. Sunil's loan	5,000	Furniture	12,000
Profit and loss account	8,000	Machinery	20,000
Capitals: Anil	52,000	Buildings	50,000
Sunil	45,000	Goodwill	10,000
	1,30,000		**1,30,000**

On the above date, they decided to wind up the firm. The following information is available.
(a) Debtors realized less 10%, stock realized 10% more and building realized ₹ 62,000
(b) Vehicle which was unrecorded realsied ₹4000
(c) Creditors to be settled at 10% less and interest on Bank Overdraft due ₹500 also to be paid off.
(d) Mr. Sunil took once his wife's loan
(e) Dissolution expenses amounted ₹ 3,000

Prepare:-
(1) Realisation account
(2) Partners capital account
(3) Cash account

29. Harsha company ltd issued 10,000 preference shares of ₹100 each at a premium of ₹5 per share. The amount was payable as follows:-
₹10 application
₹50 on allotment (including premium)
₹45 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 these shares and re-issued at ₹80 each fully paid.

30. From the following Balance Sheets of Indu company ltd., prepare common size balance sheet as at 31st march 2017 and 31st March 2018.

Balance sheet as at 31.3.16 and 31.3.17

Particulars	31.03.2017 (₹)	31.03.2018 (₹)
1.Equity and Liabilities:		
I Shareholders fund:		
(a) Share capital	7,50,000	10,00,000
(b) Reserves and Surplus	1,50,000	1,00,000
2. Non-Current Liabilities:		
(a) Long term borrowings	4,50,000	6,75,000
3. Current Liabilities:		
(a) Short term borrowings	1,50,000	2,25,000
Total	**15,50,000**	**15,00,000**
Assets:		
1. Non-Current Assets:		
Fixed Assets		
(a) Tangible Assets	7,50,000	10,00,000
(b) Intangible Assets	3,00,000	4,50,000
2. Current Assets:		
(a) Inventories	1,50,000	2,50,000
(b) Other Current Assets	75,000	1,00,000
(c) Cash and cash equivalents	2,25,000	2,00,000
Total	**15,50,000**	**15,00,000**

31. Pass necessary journal entries at the time of redemption of debentures in each of following cases.
(a) A company ltd, issued 10,000, 8% debentures of ₹100 each at par and redeemable at par at the end of five years out of capital
(b) B company ltd, issued, 4000 12% debentures of ₹100 each at par. These debentures are redeemable at 10% premium at the end of four years.
(c) C company ltd issued 10% debentures of total face value of ₹3, 00,000 at a premium of 5% to be redeemed at par at end of four years.
(d) D company ltd, issued 200,000, 10% debentures at a discount of 5%, but redeemable at a premium of 5% at end of 5 years.
(e) E company ltd, issued, 1000, 8% debentures of ₹100 each at a premium of 5% to be redeemed at par at the end of 4 years.

32. From the following calculate:-
(1) Inventory turnover ratio
(2) Trade receivable turnover ratio
(3) Trade payable turnover ratio
(4) Gross profit ratio
(5) Operating ratio
(6) Net profit ratio.

Particulars	**₹**
Revenue from operations	10,00,000
Gross profit	200,000
Average Inventory	1,00,000
Net credit revenue from operations	600,000
Average trade receivables	1,50,000
Net credit purchases	500,000
Average trade payable	250,000
Operating expenses	100,000
Net profit	100,000

SECTION-E
(Practical Oriented Questions)

V. Answer any TWO questions, each carries FIVE marks. **2x5=10**

33. How do you treat the following in absence of partnership deed?
    (a) Profit sharing Ratio
    (b) Interest on capital
    (c) Interest on drawings
    (d) Interest on advances from partners
    (e) Remuneration to partners to firms work.
34. Give the disclosure requirements pertaining to share capital in notes to accounts of Balance Sheet of a company with imaginary figures.
35. Prepare Comparative statement of profit and loss with 5 imaginary figures

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