



BOARD QUESTION PAPER : MARCH 2018

Time: 3 Hours

Max. Marks: 80

- Q.1. Attempt any THREE of the following sub-questions:** [15]
- (A) Answer the following questions in only 'one' sentence each:** (5)
- (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:** (5)
- (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:** (5)
- (1) When shares are forfeited, share capital account is _____.
 (A) debited (B) credited
 (C) adjusted (D) none of these
 - (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
- (D) State whether the following statements are True or False:** (5)
- (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 net 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:** (5)
- Mr. Akash Sane, 42, 'Sagar', Bandar Road, Ratnagiri, draws a three months bill on Mrs. Megha 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.



- Q.2. 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:

[8]

	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 2½ % 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 ₹ 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?

(4)

(4)

- Q.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
		Bank	75,400
	3,25,000		3,25,000

On 1st April, 2016, Seema was admitted as ¼ th partner on the following terms:

- (1) Seema should bring in ₹ 1,20,000 towards 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 debts 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 a business sharing profits and losses in the ratio of 3 : 1 : 1 respectively.

Their Balance Sheet as on 31st March, 2016 was as follows:

Balance Sheet as on 31st March, 2016

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

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 upto 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) Working of Manish's share in profit and goodwill

Q.4. Sayali sold goods on credit to Manali for ₹ 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 ₹ 300. Manali requested Sayali to renew the bill. Sayali agreed on conditions that Manali should pay ₹ 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]



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

[10]

Balance Sheet as on 31st March, 2016

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	60,000
Capital accounts:		Debtors	36,000
Ashwin	40,000	Less: R. D. D.	2,000
Bhavin	20,000	Bank	10,000
Pravin	8,000		
	1,60,000		1,60,000

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 1000 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.

- Q. 6. From 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

Dr.		Cr.	
Receipts	Amount (₹)	Payments	Amount (₹)
To Balance b/d		By Salaries	67,000
Cash in hand	7,950	By Electricity	26,200
Cash at bank	50,800	By Books	41,300
To Life membership fees	20,500	By Furniture	45,000
To Donations	1,00,000	By Stationery	18,300
To Tuition fees	1,30,000	By Fixed deposits	2,00,000
To Term fees	1,00,000	By Balance c/d	
To Admission fees	40,000	Cash	1,450
		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 fund	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.

Q.7. 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 & Loss Account for the year ended 31st March, 2016 and Balance Sheet as on that date:

[15]

Trial Balance as on 31.03.2016

Debit Balances	Amount (₹)	Credit Balances	Amount (₹)
Opening stock	88,000	Capital accounts	
Purchases	1,76,000	<i>Shailesh</i>	1,20,000
Wages	23,500	<i>Nilesh</i>	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	<i>Shailesh</i>	5,000
Bad debts	4,000	<i>Nilesh</i>	4,000
Sundry debtors	82,000		
Electricity charges	9,900		
Furniture	43,000		
8% Debentures (1.10.2015)	40,000		
Drawings:			
<i>Shailesh</i>	3,000		
<i>Nilesh</i>	2,000		
	7,20,000		7,20,000

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 ₹ 40,000 on 1st January, 2016.