



Date: 13-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

SECTION A - K1 (CO1)

Answer ALL the Questions (10 x 1 = 10)

1. Definitions

- a) Marshalling
- b) Trade-In.
- c) Gaining Ratio
- d) Finance costs
- e) Accounting Standard

2. True or False

- a) When the proprietor withdraws Goods for his personal use, Drawings account is debited, and Purchase account is credited
- b) The Rate of depreciation under SLM is 8% when total cost of the machine is Rs 50000, SV is Rs 10000 and estimated life is 10 years
- c) Under Super profit method the value of Goodwill is the difference between the value of business and net tangible assets.
- d) Preliminary expenses written-off is shown in the P&L statement of a company under finance costs.
- e) Exposure draft is a document prepared by the ASB.

SECTION A - K2 (CO1)

Answer ALL the Questions (10 x 1 = 10)

3. Fill in the blanks

- a) Closing stock is valued at cost price or market price whichever is -----
- b) Trade-In allowance is a ----- entry appearing on both sides of the asset account.
- c) ----- ratio is calculated at the time of admission of a new partner
- d) Under company's account, expenses incurred on the employees are called -----
- e) AS-3 deals with -----.

4. Match the following

- | | | | |
|----|----------------------------|---|----------------|
| a) | Valuation of Closing stock | - | Inventories |
| b) | Method of Depreciation | - | Gratuity |
| c) | Valuation of Goodwill | - | Capitalisation |
| d) | Employee Benefit expense | - | WDV |

SECTION B - K3 (CO2)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

5. Prepare the accounting entries and treatment in financial accounts under the following transaction:
Stock destroyed by fire, Goods-In transit and Closing stock
6. Analyze the need and objectives for providing Depreciation.
7. A, B and C are equal partners in a firm and their Balance sheet as on 31.12.2019 is given below:

Liabilities	Rs	Assets	Rs
Sundry Creditors	40500	Machinery	43500
Reserve	4500	Furniture	1500
Capital A/c 's :		Debtors	30000
A	15000	Stock	15000
B	12000		
C	18000		
	90000		90000

C retired on 31.12.2019 and assets were revalued as under :

Machinery Rs 51000, Furniture Rs 1200, Debtors Rs 28500, Stock Rs 14700. Goodwill of the firm is valued at Rs 9000 and C 's share of Goodwill is to be adjusted to continuing partners capital accounts.

Prepare necessary Ledger accounts and new Balance sheet.

8. State the Rules regarding Transfer of profits to reserves as per Revised schedule VI.

SECTION C – K4 (CO3)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

9. Explain the features of a Manufacturing Account.
10. On 1st April 2011, ABC Ltd purchased a second-hand machine for Rs 80000 and spent Rs 20000 on its cartage, repairs and installation. On 30th September 2012 repairs and renewals amounted to Rs 2000. On 30th September 2013, this machine is sold for Rs 50000. Depreciation is to be provided at 20% p.a according to written down value method. Prepare Machinery Account and Depreciation account for the first three years assuming that the accounts are closed on 31st March each year.

11. Following is the Balance sheet of X, Y and Z as on 31. 12.2014

Liabilities	Rs	Assets	Rs
Sundry Creditors	30000	Cash in hand	2000
Reserve fund	32000	Cash at Bank	50000
Capital A/c 's :		Debtors	60000
X 100000		Stock	60000
Y 50000		Furniture	80000
Z 50000	200000	Tools	10000
	262000		262000

Y died on 31st March 2015. Under the partnership agreement , the executor of Y was entitled to :

- (a) Amount standing to the credit of his capital account
- (b) Interest on capital which amounted to Rs 625
- (c) His share of goodwill Rs 35000

His share of profit from the closing date of last financial year to the date of death which amounted to

Rs 4375. Y's executor was paid Rs 18000 on 1st April 2015 and the balance was to be paid in four equal yearly instalments starting from 31.3.2016 with interest at 6% p.a. Appraise Y's Capital account, Y's executor account till the final amount is paid. Assume profits are shared in the capital ratio.

12. From the following information, calculate the value of goodwill on the basis of three years purchase of super profit.
- Average capital employed in the business is Rs 2000000
 - Rate of Interest expected from capital having regard to the risk involved is 10%
 - Net trading profits of the firm for the past 3 years were Rs 350400, Rs 280300, and Rs 310000
 - Fair remuneration to the partners for their services is Rs 48000 per annum.
 - Sundry assets of the firm are Rs 2350400 and Current Liabilities are Rs 95110.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words (1 x 20 = 20)

13. Tin Ltd purchased on 1st January 2013 a machine for Rs 100000. On 1st July 2013, it purchased another machine costing Rs 50000. On 1st July 2014, the machine purchased on 1st January 2013 having become obsolete, was sold off for Rs 40000. On 1st July 2015, a new machine was purchased for Rs 120000 and the machine purchased on 1st July 2013, was sold at Rs 42000 on the same date. Depreciation is to be provided at 10% p.a. under Diminishing Balance method every year assuming that the accounts are closed on 31st December every year. You are required to summarise the (i) Machinery Account (ii) Machinery Disposal Account when (a) Provision for depreciation A/c is not maintained (b) Provision for depreciation A/c is maintained.

14. A and B are partners sharing profits and losses in the ratio of 2:1. Their Balance sheet as on 31st Dec 2022 was as follows:

	Liabilities	Rs	Assets	Rs
(i)	'C' is admitted as a partner for 1/5 th share	10000	Cash in hand	7000
(ii)	Building and investment	70000	are appreciated by 10%	26000
(iii)	Capital :		Buildings	20000
	A 40000		Stock	6000
	B 30000	70000	Machinery	13000
			Investment	15000
		87000		87000

Machine
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- (iv) Creditors were overestimated by Rs 500
(v) 'C' brings Rs 25000 as his share of capital and Rs 10000 as premium

Prepare Journal entries, Revaluation account and Balance sheet of the new firm.

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words (1 x 20 = 20)

15. From the following balances as on 31st Dec 2022 of a Limited company, Prepare Statement of Profit and Loss for the year ended and Balance sheet as on that date as per revised schedule VI.

Debit	Rs	Credit	Rs
Stock 1.1.2022	33380	Subscribed & Paid up capital	50000

Discounts	6788	Sales	146268
Land	22000	Sundry receipts	200
Plant & Machinery	10700	Creditors	39532
Purchases	91888	Provision for bad debts	5300
Furniture	2750	Discounts (Cr)	5904

Debtors	63600	Bank overdraft	13823
P&L A/c (Dr)	4960	Customer deposit	400
Carriage	3780		
Wages	9016		
Bad debts	1820		
Office expenses	10275		
Cash in hand	470		
	261427		261427

The following adjustment have to be made :

- (a) Stock on 31.12.2022 was Rs 35460
- (b) Depreciation on Plant and Machinery at 10% and Furniture at 6%
- (c) Provide 10% for Bad and Doubtful debts
- (d) Customer deposits has been forfeited
- (e) Proposed dividend at 10%
- (f) Provision for taxation Rs 7500
- (g) The MD is entitled to 10% commission on net profits before charging such commission.

16. Explain the procedure for issuing accounting standards and list the Indian accounting standards adopted for preparing financial statements.

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