



**SRI BHAGAWAN MAHAVEER JAIN COLLEGE**

Vishweshwarapuram, Bangalore 560004

**Mock Examination Question Paper-1 (January 2019)**

<b>Course:</b>	II PUC
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<b>Subject:</b>	Accountancy
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<b>Max. Marks:</b>	100
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<b>Duration:</b>	3:15 hrs.
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**Instructions:**

- All the sub questions of section-A should be answered continuously at one place**
- Provide working notes wherever necessary**

**SECTION-A**

**I. Answer any Eight questions, each question carries ONE mark 8x1=8**

- Give an example for Not-For-Profit Organisation
- When varying amounts are withdrawn at different intervals, the interest is calculated using:  
(a) Simple Method (b) Average Method  
(c) Product Method (d) None of the above
- The traditional name of 'Revaluation Account' is 'Profit and Loss Adjustment account'. State true/false
- Executors account is generally prepared at the time of \_\_\_\_\_ of a partner.
- When is the reserve capital used?
- Premium on Redemption of Debentures account is \_\_\_\_\_ account.  
(a) Asset (b) Income (c) Liability (d) Expense.
- Proposed dividend is shown under the head 'Provisions'. State true/false.
- Percentage of each asset to the total assets is shown in \_\_\_\_\_ Balance Sheet.
- What is quick ratio?
- Which one of the following is not a cash outflow from operating activities?  
(a) cash payments to suppliers for goods and services  
(b) Cash payments to and on behalf of the employees.  
(c) Cash payments to acquire fixed assets.  
(d) Cash payments to and Insurance company for premium.

**SECTION-B**

**II. Answer any FIVE questions, each question carries TWO marks. 5x2=10**

- Give the meaning of Endowment Fund.
- What do you mean by past adjustments?
- What is average profit method of valuation of goodwill?
- State any two differences between dissolution of partnership and dissolution of partnership firm.
- What is issue of shares at premium? Give an example
- How will you disclose the following items in the balance sheet of a company?  
(a) Loose tools (b) Proposed dividends.
- What is comparative financial statements?
- Write any two objectives of preparing cash flow statement.

**SECTION-C**

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

- Charan and Sharan share profits and losses in the ratio of 3:2. They admit Sachin into their firm for 1/6<sup>th</sup> share in profits. Charan personally guaranteed that Sachin's share of profit, after charging interest on capital @ 10% p.a would not be less than ₹15,000 in any year. The capital provided was as follows:

Charan ₹1,25,000, Sharan ₹1,00,000 and Sachin ₹75,000. The profit for the year ending March 31<sup>st</sup> 2016 amounted to ₹75,000 before providing interest on capital. Show the profit and loss appropriation account if the new profit sharing ratio is 3:2:1.

20. Vidya, Sandhya, Lata and Sudha are partners sharing profits in the ratio of 3:2:1:4. Vidya retires and her share is acquired by Sandhya and Lata in the ratio of 3:2. Calculate new profit sharing ratio of the remaining partners.
21. Keshav, Mukesh and Anil were partners sharing profits and losses in the ratio of 2:1:1. Their balance sheet as on 31.3.13 was as under

Liabilities	₹	₹	Assets	₹	₹
Sundry Creditors		25,000	Cash		6,000
Reserve Fund		20,000	Stock		12,000
Capitals:			Bills Receivable		6,000
Keshav	15,000		Debtors		15,000
Mukesh	10,000		Investments		15,000
Anil	10,000	35,000	Buildings		26,000
		<b>80,000</b>			<b>80,000</b>

Anil died on July 1<sup>st</sup> 2013. The partnership deed provides that, in the event of death of a partner, his executors are entitled to get the following:

- (a) The capital at the date of last balance sheet  
 (b) His share of reserve fund  
 (c) His share of profit to the date of death based on the average profits of the last three years profits.  
 (d) His share of goodwill. Goodwill is twice the average profits of last 3 years profits which is as follows: 2010-11 ₹16,000, 2011-12 ₹16,000, 2012-13 ₹15,520  
 (e) He had also withdrawn ₹5000 till the date of his death.
- Prepares:- Anil's capital account and his executors account.
22. Gopal Ltd issued 3,000 6% debentures of ₹100 each payable ₹20 on application, ₹30 on allotment and the balance on first and final call. All the debentures were duly taken up and the money was duly received by the company. Pass journal entries in the books of the company.
23. From the following information, prepare balance sheet of Jindal company Ltd as on 31.3.18 as per Schedule III of Companies Act 2013.

Particulars	₹
Share Capital	10,00,000
Reserves and Surplus	5,00,000
10% Debentures	5,00,000
Creditors	2,00,000
Bills Payable	3,00,000
Fixed Assets	15,00,000
Trade Receivables	5,00,000
Short Term Investments	2,00,000
Cash and cash equivalents	3,00,000

24. From the following balance sheet as on 31.3.18, Calculate debt equity ratio, proprietary ratio and debt to capital employed ratio.

Particular	₹
Share Capital	4,00,000
Reserves and Surplus	1,00,000
Long-term borrowings	1,50,000
Current Liabilities	50,000
Fixed Assets	4,00,000
Non-Current Investments	1,00,000
Current Assets	2,00,000

25. Compute cash from operations from the following information.

1. Profit for the year 2016-17 is a sum of ₹10,000 after providing for depreciation ₹2,000.

2. The current assets of the business for the year ended March 31, 2016 and 2017 are as follows.

Particular	31.3.2016	31.3.2017
Trade Receivables	14,000	15,000
Provision for doubtful debts	1,000	1,200
Trade payables	13,000	15,000
Inventories	5,000	8,000
Other current assets	10,000	12,000
Expenses payable	1,000	1,500
Prepaid expenses	2,000	1,000
Accrued income	3,000	4,000
Income received in advance	2,000	1,000

#### 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 the year ending 31.3.2013

#### Balance Sheet as on 31.3.2013

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		
	<b>4,06,200</b>		<b>4,06,200</b>

#### Receipts and Payments account for the year ending 31.3.2014

Receipts	₹	Payments	₹
To balance b/d	1,00,000	By Expenses:	
To Subscriptions		2012-13	12,000
2012-13	2,000	2013-14	20,000
2013-14	21,000	By cost of leasehold land	40,000
2014-15	1,500	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		
	<b>1,79,500</b>		<b>1,79,500</b>

Adjustments:-

- Expenses due but not paid ₹ 5,000
- Subscriptions due but not received ₹ 1,000
- Salary due but not paid ₹ 2,000
- Depreciation on Building ₹20,000
- One half of the entrance fees to be capitalized.

Prepare:-

- Income and Expenditure account for the year ending 31.3.14
- Balance sheet as on that date.

27. A and B are partners in a firm. Their balance sheet as on 31.3.2014 stood as follows:

**Balance Sheet as on 31.3.2014**

Liabilities	₹	Assets	₹
Creditors	20,000	Cash at bank	7,000
Bills payable	4,000	Stock	15,000
Capitals:-		Debtors	16,000
A	40,000	Less: Provisions	500
B	20,000	Furniture	4,500
		Plant & Machinery	18,000
		Land & Buildings	20,000
		Patents	4,000
	<b>84,000</b>		<b>84,000</b>

On 1.4.2014, C is admitted into the partnership for 1/6<sup>th</sup> share in the profits on the following terms:

- C pays ₹13,000 as capital
- Goodwill of the firm is valued at ₹7,000 and is to remain in the business.
- Stock and Buildings are to be increased by 8%
- Provision for doubtful debts is to be increased by ₹1,200
- Patents and Machinery are to be reduced by 20% and ₹ 2,000 respectively.
- The capital accounts of all the partners to be adjusted in their new profit sharing ratio i.e 3:2:1 based on C's capital. (Adjustments to be made in cash).

Prepare:

- Revaluation account
- Partners Capital accounts
- Bank account
- Balance sheet

28. Ajay, Abhay and Aditya are partners sharing profits and losses in the ratio of 1:2:1. Their balance sheet as on 31.3.2014 was as follows:

**Balance sheet as on 31.3.2014**

Liabilities	₹	Assets	₹
Creditors	10,000	Cash	5,000
Bills Payable	6,000	Debtors	15,000
Bank O/D	4,000	Stock	18,000
Mrs. Aditya's Loan	5,000	Furniture	12,000
P&L account	8,000	Machinery	20,000
Capitals:-		Buildings	50,000
Ajay	42,000	Goodwill	10,000
Abhay	35,000		
Aditya	20,000		
	<b>1,30,000</b>		<b>1,30,000</b>

On the above date, they decided to wind up the business.

- Debtors realized less 10%, stock realized 10% more and buildings realized ₹62,000. Vehicle which was an unrecorded asset realized ₹4,000
- Furniture was taken over by Ajay at a valuation of ₹9,000
- Creditors to be settled at 10% less and interest on bank O/D due ₹500 also to be paid off.
- Mr. Aditya took over his wife's loan
- Dissolution expenses amounted to ₹3,000

Prepare:-

- Realisation account
- Partners Capital account
- Cash account

29. ABC Company Ltd issued 20,000 Equity Shares of ₹10 each. The amount was payable as follows

- On application ₹2  
On allotment ₹3

On first and final call ₹5

Applications were received for 25,000 shares. Excess application money refunded and the money was duly received except the first and final call on 500 shares held by Akash. The directors forfeited these shares and then re-issued to sagar at ₹7 per share as fully paid up. Pass the necessary journal entries.

30. Pass necessary journal entries at the time of redemption of debentures in each of the following cases:
- P company limited issued 10,000, 8% debentures of ₹100 each at par and redeemable at par at the end of five years out of capital.
  - Q company limited issued 4,000, 12% debentures of ₹100 each at par. These debentures are redeemable at 10% premium at the end of four years.
  - E company limited issued 10% debentures of the total face value of ₹3,00,000 at a premium of 5% to be redeemed at par at the end of four years.
  - S company limited issued ₹2,00,000, 10% debentures at a discount of 5% but redeemable at a premium of 5% at the end of 5 years.
  - T company limited issued 1,000, 8% debentures of ₹100 each at a premium of 5% to be redeemed at par at the end of 4 years.
31. From the following Balance Sheets of Alpha Ltd as at March 31<sup>st</sup> 2017 and 2018, prepare Comparative Balance Sheet.

Particulars	31.3.2017 (₹)	31.3.2018 (₹)
Equity and Liabilities:		
Equity Share Capital	6,00,000	12,00,00
Reserve Fund	4,00,000	5,00,000
Long Term Loans	2,00,000	5,00,000
Current Liabilities	1,00,000	3,00,000
10% Preference Share Capital	5,00,000	9,00,000
Profit and Loss Account	2,00,000	3,00,000
<b>Total</b>	<b>20,00,000</b>	<b>37,00,000</b>
<b>Assets</b>	<b>31.3.2017 (₹)</b>	<b>31.3.2018 (₹)</b>
Fixed Assets	10,00,000	20,00,000
Investments	4,00,000	5,00,000
Inventory	4,50,000	6,50,000
Trade Receivable	1,00,000	4,00,000
Cash and Cash Equivalent	50,000	1,50,000
<b>Total</b>	<b>20,00,000</b>	<b>37,00,000</b>

32. From the following details, calculate:-
- Investment (Net Assets) Turnover Ratio
  - Fixed Assets Turnover Ratio
  - Working Capital Turnover Ratio
  - Return on Investment
  - Return on Shareholders Fund.
  - Earnings Per Share

Particulars	₹
Equity Share Capital @ ₹10 each	4,00,000
12% Preference Share Capital	1,00,000
General Reserves	1,84,000
10% Debentures	4,00,000
Current Liabilities	1,00,000
Fixed Assets	9,50,000
Current Assets	2,34,000

Net profit after tax was ₹1,50,000. Revenue from operations for the year was ₹30,00,000 and tax amounted to ₹50,000

**SECTION-E**  
**(Practical Oriented Questions)**

- V. Answer any TWO questions, each question carries FIVE marks. 2x5=10**
33. Write two Partner's Current Accounts under Fixed Capital System with 5 imaginary figures.
34. Write the proforma of a Balance Sheet of a company with main heads only.
35. Prepare Common Size Statement of Profit and Loss with 5 imaginary figures.

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